

No. 12892

United States
Court of Appeals
for the Ninth Circuit.

SIGNAL MANUFACTURING COMPANY and
CHARLES SCHNEIDER,

Appellants,

vs.

THE KILGORE MANUFACTURING COM-
PANY, a Corporation,

Appellee.

SUPPLEMENTAL
Transcript of Record

Appeal from the United States District Court,
Southern District of California,
Central Division.

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[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in italic; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italic the two words between which the omission seems to occur.]

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NAMES AND ADDRESSES OF ATTORNEYS

For Appellants:

C. A. MIKETTA,
W. W. GLENNY,
210 West Seventh St.,
Los Angeles 14, Calif.

For Appellee:

WM. EDWARD HANN,
Suite, 510, 811 West Seventh St.,
Los Angeles 17, Calif.

WARREN H. F. SCHMIEDING,
50 West Broad St.,
Columbus, Ohio.

In the United States District Court, Southern
District of California, Central Division

Civil Action No. 7693-WM

THE KILGORE MANUFACTURING COM-
PANY, a Corporation,

Plaintiff,

vs.

SIGNAL MANUFACTURING COMPANY, a
Corporation,

Defendant.

PLAINTIFF'S ANSWER TO DEFENDANT'S
SECOND REQUEST FOR ADMISSIONS

Plaintiff makes answer to Defendant's Second
Request for Admissions, as follows:

* * *

V.

Plaintiff admits that prior to the earliest date of
invention by Driggs and Faber, there was described
in printed publications and known to others in
United States——

(a) a cartridge case having substantially
cylindrical side walls and a base integral there-
with,

but, denies that there was described in printed pub-
lications and known to others in the United States,
a projectile shell having substantially cylindrical
side walls and a base integral therewith;

Plaintiff admits that prior to the earliest date of

invention by Driggs and Faber, that there was described in printed publications and known to others in the United States——

(b) a cartridge case having a base and substantially cylindrical side walls, of one piece of metal,

but, denies that there was described in printed publications and known to others in United States, a projectile shell having a base and substantially cylindrical side walls, of one piece of metal;

Plaintiff admits that prior to the earliest date of invention by Driggs and Faber, that there was described in printed publications and known to others in the United States——

(c) a cartridge case having a relatively thick base and integral side walls, the side walls being thinner than the base, the cartridge case being made of metal,

but, denies that there was described in printed publications and known to others in the United States, a projectile shell having a relatively thick base and integral side walls, the side walls being thinner than the base, the projectile shell being made of metal;

Plaintiff admits that prior to the earliest date of invention by Driggs and Faber, that there was described in printed publications and known to others in the United States——

(d) a projectile case having a base and substantially cylindrical side walls, of one piece of metal, the base being provided with an aperture,

but, denies that there was described in printed publications and known to others in the United States, a projectile shell having a base and substantially cylindrical side walls of one piece of metal, the base being provided with an aperture.

* * *

Dated at Columbus, Ohio, this 6th day of October, 1948.

THE KILGORE MANUFACTURING COMPANY,

By /s/ H. B. WATKINS,
President.

Service of copy acknowledged.

[Endorsed]: Filed October 11, 1948.

[Title of District Court and Cause.]

PLAINTIFF'S MEMORANDUM IN SUPPORT
OF ITS PROPOSED FINDINGS OF FACT
AND CONCLUSIONS OF LAW

It is respectfully submitted that Plaintiff's Proposed Findings of Fact and Conclusions of Law give the Appellate Court a clear understanding of the basis of Your Honor's decision and are supported by the evidence. It is further submitted that certain of the objections and proposals of defendants are contrary to the evidence, certain are unsupported by the evidence, and certain are merely argumentative subject matter.

We do not object to the first four sentences ending in line 9 of defendant's proposed finding A-1, but we do object to the remainder of this proposed finding since it is merely directed to argumentative subject matter as to defendants' consistent insistence that each and every claim must include each and every element and define the functions of all. This subject matter has been covered in our "Memorandum on Validity Claims 10 and 11," starting at the top of page 8, under the sub-heading "Claims 10 and 11 describe the Combination and All the Essential Elements with Specificity to Enable Anyone Versed in the Art to Practice That Invention."

As to defendants' proposed finding A-2, we submit that it is irrelevant to the issue since the claims in the Patent Office were drawn to a different combination than the application claims discussed in A-2. Furthermore, proposed A-2 does not set forth the full story. To be pertinent to the issue, the following should be added:

"However application claims 35, 36 and 38 were not limited to a parachute type of flare such as that defined in patented claims 11 and 12, which patented claims define a new combination of old elements which together produce a better result than anything previously known. Patent No. 1641549 (Exhibit F-14) was of record in the application of the patent in suit and claims 10 and 11 of said patent, which are limited to a parachute type of signal flare, were not considered as anticipated by Exhibit F-14."

With respect to defendants' proposed finding A-3,

we have no serious objection to the same except that it appears needless. Apparently this proposed finding is directed to claims 1, 2 and 3 of the patent in suit. Your Honor held those claims invalid because they did not define a complete combination including a cartridge case. If the Court finds that this proposed finding should be included, it is suggested that the word "cartridge" be inserted before the word—case—in line 22; that "or shell" be cancelled in said line and also the last word "shell" be cancelled and the word—case—be substituted, since we are dealing here with only cartridge cases and projectile shells.

Coming now to defendants' proposed finding A-4, we believe that, if the Court desires such detailed statement in the findings of fact, it should be supplemented with the whole truth by including the following sentence "The evidence also establishes that signal flares made in accordance with the above-described prior art were unsuccessful."

Defendants object to plaintiff's finding No. 2 on the ground that the stated finding is not one of fact but a conclusion of law and also states that it should be included among the conclusions. Where this is placed is optional with the respective courts. Some desire it in the findings and others in the conclusions. Nevertheless, it is a fact that the jurisdiction of the court depends upon the patent laws and also upon the fact of diversity of citizenship of the parties.

With respect to plaintiff's proposed finding No. 3,

we are willing to satisfy defendants by changing the same to read as follows:

“3. Plaintiff had full title to the patents in suit and the right to collect damages from and after said date in July, 1947, and plaintiff does not charge defendant with any acts of infringement prior to a date in July, 1947, on which date defendant initiated the manufacture of parachute-type signal flares, will not rely upon prior acts, if any, and will not claim damages for acts prior to said date in July, 1947.”

Defendants object to plaintiff's proposed finding No. 9 “on the ground that it does not correctly state what is in the patent in suit and is unsupported by the disclosures of the patent in suit.” We respectfully call Your Honor's attention to the fact that this finding is not directed to the specific language of the patent. This finding is directed to that to which the patent relates. The Court surely has the right to find, as it did, that flares made in accordance with the patent in suit, both plaintiff's and defendant's, have utility. Surely the Court can set out the facts of his findings of utility. Defendants continually attempt to evade the fact that a patent is directed to those skilled in the art. Those skilled in the pyrotechnic art know that a fuse having “compressed powder 5” (page 1, line 96 of the patent) is a “delay fuse.” Defendants knew it; they copied it. Those skilled in the art, would surely not attempt to expel the flare and parachute from the projectile shell after it is falling or while it is ascending. Obviously, the skilled pyrotechnic

engineer would time the delay fuse so that the flare and parachute are released at the highest point of the flight of the projectile shell.

In our proposed findings No. 9, we merely say that the patent in suit relates to a signal flare. The evidence is replete with utility of signal flares constructed in accordance with disclosure of the patent. When the patent is adjudged by one skilled in the art, it has all the utility expressed in the findings No. 9.

We have no serious objection to the inclusion of defendants' proposed finding B-1, to precede plaintiff's proposed finding No. 9, but we do strenuously object to substituting B-1 for No. 9, since such substitution would eliminate Your Honor's finding of utility in the patented structure.

Defendants' objection to plaintiff's finding No. 10 is merely an unwarranted argument. Both Dr. Clauser (R. 182, L. 17; R. 193, L. 13) and Hubbard (R. 52, L. 18; R. 64, L. 9) testified repeatedly as to the novelty and utility of signal flares made in accordance with the disclosure in the patent. The question arises, if there is nothing new or useful in the patented structure, why did defendants make a Chinese copy of it instead of following the teachings of the prior art. Plaintiff's counsel has always maintained that the use of the one-piece shell in combination with the other elements, set out in the claims, particularly claims 10 and 11, provided a new combination which produced a new result. This is evident through Dr. Clauser's and Mr. Hubbard's testimony. Defendants utterly failed to show that

the results, obtained by the patentees, could be attained by the structures of the prior art. A patent is presumed to be valid by reason of its grant by the Patent Office, and the defendant has a heavy burden of proof to show invalidity for lack of invention (Williams Mfg. Co. v. United Shoe Machine Corp., 121 F.(2d) 273, CCA 6, July 27, 1941) (affirmed 316 U. S. 364). We quoted in detail with respect to this decision in our "Memorandum of Points of Law and Authorities" and also referred Your Honor's attention to Ralph N. Brodie Co., et al., v. Hydraulic Press Manufacturing Company, 151 F.(2d) 91, CCA 9, August 29, 1945.

Defendants' proposed findings C-1, C-2 and C-3 are based on invalidity of claims 10 and 11 and are therefore contrary to the Court's finding.

Defendants' objection to plaintiff's proposed finding No. 11 is based on allegation that there was no "need" for the invention and no "commercial success" of the invention. We need to say only that defendants are manufacturing and selling what is shown and claimed in the patent. Furthermore, there is ample evidence in the testimony of Hubbard, Hatch and Dr. Clauser showing the need and the sale.

Defendants' further objections to plaintiff's proposed finding No. 11, on the ground of it being contrary to evidence, is set out in piece-meal objections to certain sentences in the finding. All the sentences of the finding are correlated. The finding is addressed to the claimed invention, the combination of elements which produce a better result. "The

subject matter of the patent in suit” is the subject matter claimed, particularly claims 10 and 11.

Defendants’ objection to plaintiff’s proposed finding No. 12, is merely an unwarranted argument. Proposed finding No. 12 does not state that the patentees were the first to use lightweight metal for projectile shells, as the defendant endeavors intentionally to squash the fact stated in the finding. Proposed finding No. 12 is directed to the utility of the invention as set out in the testimony of Hubbard (R. 52, L. 18; R. 64, L. 9) and Dr. Clauser (R. 182, L. 17; R. 184, L. 13).

Plaintiff’s proposed finding No. 13 is not contrary to the evidence as alleged by defendant. Dr. Clauser testified that the material “was dumped into the Atlantic Ocean because of its failure to function” (R. 222, L. 17). Defendants cannot charge irrelevancy because at that time Dr. Clauser was testifying on cross-examination in defendants’ attempt to show lack of utility of the patented invention over such flares as Defendants’ Exhibit F-32.

It is regretted that defendants resort to such tactics as charging plaintiff of untruthfulness, such as appears in their opposition to plaintiff’s proposed finding No. 14. Perhaps defendants overlooked Dr. Clauser’s testimony (R. 181, L. 14) wherein he speaks of the advantages of the one-piece projectile shell over the two-piece type. (See quoted section in our brief “Memorandum on Validity of Claims 10 and 11” starting on page 4, line 28, and ending on page 6, line 20.) In (R. 182, L. 17, and R. 184, L. 13) Dr. Clauser asserted

the value of a one-piece shell having thin side walls and a base of thicker material, one that withstands the forces of the explosions of the propelling and expelling charges. Of course, the taper on the end of the fuse and several other elements are important, but defendants say all those elements are taught by the prior art. In this respect, attention is directed to applied pertinent decisions quoted in our "Memorandum on Validity of Claims 10 and 11" under the heading, page 8, "Claims 10 and 11 describe the combination of all the essential elements with specificity to enable anyone versed in the art to practice that invention."

Defendants object to plaintiff's proposed finding No. 15 on the ground it is not supported by the evidence. Plaintiff's finding does not state "that plaintiff's flares were 'the first successful distress signal'." Plaintiff's proposed finding No. 15 is based on Dr. Clauser's testimony on the unsuccessful signal flares such as Exhibit F-32 and the unrefuted testimony of Hubbard (R. 52, L. 18) wherein he stated:

"* * * The only thing that was a prescribed requirement for life boats, life rafts, was a hand signal, two-minute hand signal that ignited from a scratcher cap. You would hold it in your hand; it would burn two minutes at whatever level the holder was. By reason of the fact that the natural curve of the earth would block out that signal, a visibility at a distance of three to five miles, its efficiency from the standpoint of being a signaling device was naturally very limited. * * *"

and in (R. 64, L. 9) wherein he testified to Mr. Miketta's questions on cross-examination, as follows:

"Q. I understand you to say Mr. Hubbard, that before the Kilgore Manufacturing Company and Messrs. Driggs and Faber made the invention of the patent in suit No. 1947834, the only prior signal used in marine work was this, as you call it, a scratch type?

"A. A hand-type of signal.

"Q. A hand-type of signal which was lit in very much the same way that you'd light a Roman candle or a burning stick?

"A. No; it was a scratcher type. There was a cap on the end that by removing a strip of cloth you expose a scratcher on this cap that went over the end of the signal. By reversing that cap and scratching across the prime head of the signal, you could ignite it. You would hold it in the hand.

"Q. Then it would burn like a torch?

"A. That is right.

"Q. But it would not eject any signal to any height?

"A. That is correct. There were signals manufactured at that time, prior to that time, that could be projected, but not the parachute type of signal. In World War I there was what they called the Very Pistol; you shoot a star in the air.

"Q. You are familiar with the Very Pistol and the star shells?

“A. Star shells were not pistol operated.

“Q. It is your contention that there were no parachute type flares prior to the invention allegedly made by Driggs and Faber in the patent in suit?

“A. No; I don't say that, but they had never been offered commercially. There were parachute signals made prior to that time of a sort.

“Q. They were not in commercial use?

“A. That is correct. * * *

Defendants' objection to plaintiff's proposed finding No. 16 merely sets out unwarranted arguments. Defendant Schneider testified (R. 159, L. 24) that he knew of only two manufacturers of parachute signal flares, i. e. plaintiff and defendants' and defendants cannot evade the fact that their flares are not made in accordance with the teachings of the patent in suit.

Defendants' objection to plaintiff's proposed finding No. 17 merely sets out unwarranted arguments. They state that the proposed finding is misleading and contrary to the evidence. They do not point out wherein it is misleading or contrary to the evidence, because they cannot. We merely point out that Exhibit F-3 does not anticipate the invention defined in claims 10 and 11 of the patent in suit, and Exhibit F-21, like Exhibit F-3, also shows a one-piece cartridge case, and that Exhibit F-21 was considered by the Patent Office during the prosecution of the patent in suit.

Defendants' objection to plaintiff's proposed find-

ing 18 merely sets out unwarranted argument. Our first sentence in that finding is addressed to the parachute type signal flare as defined in claims 10 and 11 and not, as defendants would have Your Honor believe, specifically to a one-piece projectile shell. Defendants' Exhibit F-14 is not directed to a parachute type flare, as defined in claims 10 and 11. Moreover that reference was of record in the application of the patent in suit and claims 10 and 11 were considered as not anticipated by Exhibit 14.

Exhibit 18 specifically states, page 1, line 62, that the container B, previously referred to as being made "preferably of fiber or cardboard" (P. 1, L. 58) "has a reduced hollow stem b, which fits snugly in the cartridge case A and an enlarged portion b' connected to the stem b by the annular shoulder b²."

With respect to defendants' objection to plaintiff's proposed findings 19 and 20, Your Honor ruled that claims 10 and 11 were valid and infringed, only after consideration of the prior art and the restrictions specified in said claims. Findings Nos. 19 and 20 set out those facts. Defendants may not agree with Your Honor's rulings, but such rulings are consistently followed by the courts as pointed out in the decisions in our "Memorandum on Validity of Claims 10 and 11."

Plaintiff's proposed finding 21 is not contrary to the evidence. Defendants' objection goes to their unwarranted contention that each and every element and the function thereof must be specifically set out in each claim. The law is to the contrary and

the pertinent decisions are found in our "Memorandum on Validity of Claims 10 and 11," starting on page 8.

With respect to defendants' objection to plaintiff's proposed finding No. 22 on the ground that infringement is a conclusion of law, we submit that it is also a finding of fact. In this connection the Court's attention is directed to *Ralph H. Brodie Co., et al., v. Hydraulic Press Manufacturing Company* (supra). There the Court held in the third from the last paragraph that "The question (infringement) thus presented was one of fact."

Your Honor needed only to compare Exhibit 25, defendants' flare, with the patent in suit to find one is a Chinese copy of the other. The act of copying speaks for itself. There could be no clearer case of conscious, deliberate and wilful copying of a patented structure.

Still further with respect to defendants' objection to plaintiff's finding No. 22, defendants' right to enter the business was no greater than any other member of the public. The public, until the defendants entered the field, respected the rights of plaintiff in the patent.

Defendants' proposed substitute finding H-1 for plaintiff's finding No. 22, is merely argumentative matter directed to invalidating claims 10 and 11, on the ground that all elements are old; they totally ignore the better results obtained by defendants in their copying of the patented structure. Moreover defendants do not use a projectile shell as taught by Paulus (Exhibit F-14), nor a wooden annulus as

taught by an earlier patent of the same patentees (Exhibit F-16) nor are the contents of defendants' projectile shell arranged in the same manner as in Exhibit F-18; the latter exhibit does not show a wooden annulus; since it does not show a wooden annulus, it does not show expelling power confined in the annulus and a flare candle resting on the annulus. Furthermore, the patent to Paulus (Exhibit F-14) was considered by the Patent Office and claims 10 and 11 were allowed thereover. Too, Exhibit F-16 was not cited by defendants as anticipating the invention of the patent in suit, but cited merely for the purpose of showing the state of the art (see stipulation, Exhibit 21).

Your Honor may desire to supplement plaintiff's proposed finding 23, by adding to the end thereof, "Therefore, these claims do not define a complete combination," or Your Honor may prefer to adopt the first four sentences (lines 3-10) only, of defendants' proposed finding A-2. Defendants' proposed substitute finding is merely directed to the breadth of these claims and not to the validity decided by Your Honor.

Plaintiff has no serious objection to the substitution of defendants' proposed finding I-1 for plaintiff's 24 or the substitution of defendants' proposed findings J-1, J-2 and J-3 for plaintiff's finding 25, except for prolixity.

With respect to defendants' objection to plaintiff's proposed finding 26, it is regretted that defendants resort to such tactics as accusing plaintiff of endeavoring to mislead the Court. Proposed find-

ing No. 26 is a correct statement and does properly express the facts. Plaintiff merely introduced evidence as to the high percentage of failures of defendants' signals, also the fact that some of defendants' signals would not fit the pistol for which they were designed. At no time did plaintiff attempt to mislead the Court into believing that defendants were selling, to the trade signal flares that did not pass inspection by the Coast Guard, as alleged by defendants. All signals must be passed by the Coast Guard before offered for sale.

There is no foundation whatsoever for defendants' proposed finding L-1. Why defendants should resort to saying that plaintiff delayed proceedings is not understood and it is entirely without foundation. Counsel for plaintiff tried to cooperate with counsel for defendants in every respect to expedite the early trial of the case. On the other hand, defendants filed an Answer and two amended Answers, the latter of the two including a counter-claim. No attempt was made at the trial to support allegations contained in the counter-claim. Defendants also filed three lengthy requests for admissions, interrogatories, and refused to stipulate obvious facts which necessitated the tests and testimony in Columbus and Westerville, Ohio. The Court understood the purpose of these tests was to show that signals, shorter and longer than the standard length adopted by plaintiff, met the Coast Guard specifications, and it was deemed not necessary to take up the Court's time and clutter the record with these detailed tests. Defendants cited twenty-six patents

and six publications in their answer, requiring plaintiff to expend time and effort uselessly, since defendants relied only on a few of these thirty-one citations.

The Court is aware that plaintiff's counsel spoke with open candor throughout the trial, made no misleading representations, and, as officers of the Court and counsel for plaintiff, did every thing possible to cooperate with Your Honor to expedite the trial.

/s/ WARREN H. F.
SCHMIEDING,

/s/ WM. EDWARD HANN,
Attorneys for Plaintiff.

[Marginal Note]: The Court did not provide for memoranda of this type at the time of the ruling.

November 24, 1950.

/s/ C. A. MIKETTA

Receipt of copy acknowledged.

[Endorsed]: Filed November 24, 1950.

At a stated term, to wit: The September Term, A.D. 1950, of the District Court of the United States of America, within and for the Central Division of the Southern District of California, held at the Court Room thereof, in the City of Los Angeles, on Friday, the 29th day of December, in the year of our Lord one thousand nine hundred and fifty.

Present: The Honorable Wm. C. Mathes,
District Judge.

[Title of Cause.]

MINUTE ORDER

Good cause appearing therefor, it is ordered that the order of November 3, 1950, for findings and judgment and reference is vacated as to all its provisions and the cause is ordered placed on the calendar of January 5, 1951, 2:00 p.m., for further oral argument.

[Title of District Court and Cause.]

STIPULATION AND ORDER FOR CORRECTION OF RECORD

It is hereby stipulated by and between the parties that the reporter's transcript of proceedings of January 8, 1951, be amended as follows:

Page 4, line 24, cancel "a gun" and substitute—one—; line 26, cancel "recoil" (second occurrence) and substitute—projectile—.

Page 5, lines 1 and 2 cancel “as to be of” and substitute—it would have—.

Dated at Los Angeles, California, this 29th day of March, 1951.

/s/ WM. EDWARD HANN,

/s/ WARREN H. F.

SCHMIEDING,

Attorneys for

Plaintiff-Appellee.

/s/ C. A. MIKETTA,

Attorney for

Defendant-Appellants.

Order

It Is So Ordered, March 30, 1951.

/s/ WM. C. MATHES,

Judge.

Receipt of copy acknowledged.

[Endorsed]: Filed March 30, 1951.

In the District Court of the United States in and
for the Southern District of California, Central
Division

No. 7693-WM-Civil

Honorable William C. Mathes, Judge Presiding.

THE KILGORE MANUFACTURING COM-
PANY, a Corporation,

Plaintiff,

vs.

SIGNAL MANUFACTURING COMPANY, a
Corporation,

Defendant.

REPORTER'S TRANSCRIPT OF
PRE-TRIAL PROCEEDINGS

Monday, December 13, 1948

Appearances:

For the Plaintiff:

HAROLD W. MATTINGLY, ESQ.,

WARREN H. F. SCHMEIDING, ESQ.

For the Defendant:

C. A. MIKETTA, ESQ.

* * *

Mr. Mattingly: Can we have a requirement,
though, by the Court that the defendant advise us
well in advance of trial which ones are to be relied
upon as anticipations? [9*]

* * *

The Court: Of course, you put them to a great deal more expense, you realize, unless you do segregate your prior art patents in some way so that the other side will know how much study to devote to them.

Mr. Miketta: They brought the action, your Honor, and it is their patent, and they should know what is the novel element that they believe to be the invention.

The Court: If you are not able to make any segregation in the prior art patents, you do not need to do so.

Mr. Miketta: May I ask you, Mr. Schmeiding—

The Court: Until you do make some segregation of them as between those that are relied upon to show anticipation and those merely to show the state of the art, I assume that the plaintiff will be forced to assume that all of them are relied upon to show anticipation.

Mr. Miketta: Isn't that putting the cart in front of the horse, your Honor? They bring the suit on their patent. Unless they let me know what is their invention and which element is the invention, how can I say: We will rely on this patent for anticipation and this only to show the state of the art? [10]

* * *

The Court: Does that help you any, Mr. Miketta? [11]

Mr. Miketta: I will be able to materially limit the elements. [12]

* * *

Mr. Mattingly: There is another exhibit we would like to offer at this time, your Honor; it has been shown to Mr. Miketta and was referred to in the depositions which were taken—a sample flare made by the plaintiff Kilgore Manufacturing Company.

The Court: It is established by the deposition.

Mr. Miketta: Objected to, your Honor, as not mentioned in the deposition but in an affidavit.

Mr. Mattingly: I beg your pardon. Mr. Miketta is correct.

The Court: There won't be any question. You will have a witness at the trial, I take it, to testify to that?

Mr. Mattingly: Yes, your Honor. Does Mr. Miketta object to this upon the ground that it is not a true representation of the plaintiff's flare?

Mr. Miketta: I do not know its origin, your Honor. I think that is a matter for them to prove.

The Court: You will have a witness here. We won't save any time by going into that now. If we stipulate to it, that question will be repeated upon the trial undoubtedly. [18]

* * *

The Court: How long will it take to try this, two days?

Mr. Mattingly: We have estimated that the plaintiff will probably take approximately three days to put its side of the case on. [19]

* * *

Mr. Schmeiding: Your Honor, I doubt whether

it is going to take three full days and I am quite sure it is going to take two full days, because we want to make some demonstration before the Court, if possible, and it may be necessary for your Honor to take a trip to the Coast Guard and see these demonstrations made. We cannot make them in open court.

* * *

Mr. Schmeiding: Well, we have one count in this suit upon unfair competition. We want to show your Honor that we can perform the same results with shells that look entirely different from ours.

The Court: You want to prove that the copying was of non-functional matter? [20]

Mr. Schmeiding: That is right.

The Court: Well, four days should finish it all, should it not? Can't you have some expert who can shoot off some of them and come in and tell the Court what happened?

Mr. Schmeiding: Yes; we can do that, but it would be very interesting for the Court.

The Court: Yes; just like going through a museum. Trying these patent cases, if I could just take the time to be thoroughly educated on all these fields, it would be very interesting. I would enjoy it. But we can't do anything more than take the essential things.

Mr. Schmeiding: Yes. My idea was that a demonstration would quickly give to the Court the entire picture of the invention.

* * *

The Court: Well, it might make some difference

on the unfair competition if the one party is copying not only the other's device but simulating it in such a manner as to make the public think it is the device of the other. That would be a material matter.

Mr. Miketta: Well, perhaps. In view of these so-called tests that have been referred to, I believe it would be [21] desirable in order to prevent surprise to have the plaintiff outline exactly what he intends to show and what other shells or flares he is going to demonstrate at such a demonstration.

The Court: I have not seen the necessity of the demonstration yet. That has been suggested.

* * *

The Court: What tests would you propose to make?

Mr. Schmeiding: We wanted to show that we can meet the Government specifications. The Government specifications are very broad, and we wanted to show that shells can be made that fully meet the Government specifications as to the height that the projectile is shot when the contents is ejected, the duration of the dropping of the parachute with the flare.

The Court: You would have to mechanically make the test, would you not?

Mr. Schmeiding: Yes. We are making several.

The Court: All right. You are going to have an expert, I take it?

Mr. Schmeiding: That is right.

The Court: Let him shoot them off and he can come in and tell the Court. He can bring some in

and show them to the Court, and tell us what the results of his tests were. [22] If you invite the defendant to the test, why, he may not have any evidence to oppose it. He may not wish to oppose the testimony.

[Endorsed]: Filed January 13, 1949. [23]

[Title of District Court and Cause.]

REPORTER'S TRANSCRIPT
OF PROCEEDINGS

Los Angeles, California
Tuesday, October 31, 1950

Appearances:

For the Plaintiff:

WARREN H. F. SCHMIEDING, ESQ.,
WM. EDWARD HANN, ESQ.

For the Defendant:

CASIMIR A. MIKETTA, ESQ.

* * *

The Court: So the pleadings we have here now comprise the bill of complaint filed October 16, 1947, as now amended, the second amended answer and counter-claim filed December 21, 1949, as now amended, and the plaintiff's answer to the defendant's counter-claim filed March 22, 1950. Is that a correct and complete list of the pleadings?

Mr. Schmieding: That is correct, your Honor.

* * *

The Court: Do you wish to offer the pre-trial stipulation filed January 14, 1949, into evidence?

Mr. Schmieding: Yes, I would like to offer that into evidence as Plaintiff's Exhibit No. 21.

The Court: The pre-trial stipulation filed January 14, 1949, is received into evidence as Plaintiff's Exhibit 21. [6*]

* * *

Mr. Schmieding: There is filed in the case and marked for identification purposes one of defendant's flares, which is Exhibit 2, which I would like to show to the Court. And we also have a flare marked for identification purposes Plaintiff's Exhibit No. 7. [7] No. 2 is defendant's flare and No. 7 is plaintiff's flare.

The Court: Let me get this straight again.

* * *

Mr. Schmieding: We also took depositions of Mr. Schneider, a defendant in this case, and at that time marked for identification purposes Plaintiff's Exhibit 3, which is a cut-away of defendant's flare. We have a witness who will testify to the fact that this is a product of the defendant and that he had the flare cut as shown to show the interior of the same.

Mr. Miketta: May the Court please, there are admissions [8] in the record, in the first place, that there is no invention claimed in the arrangement of the contents of the projectile; in other words, that there is no invention in the arrangement of the parachute and the flare with the little candle and the stick and what not. And, therefore, that cut-

* Page numbering appearing at top of page of original Reporter's Transcript of Record.

away model, frankly, is not important here except to show that there is an outside projectile case or shell and a lower cartridge cap.

The Court: Well, it might be important——

Mr. Miketta: From that standpoint——

The Court: ——to educate the court in the prior art, might it not?

Mr. Miketta: That is true. It might be of assistance to your Honor.

The Court: I would like to know what it is made of. Even if you are arguing to me it is only an embodiment of what was in the prior art, I would want to know what is inside of it, would I not?

Mr. Miketta: All right.

The Court: Will you stipulate that is a product of the defendant's, manufactured by the defendant, Exhibit 3?

Mr. Miketta: Our interior arrangements similar to those around the——

The Court: No, no, Mr. Miketta. I am just talking now and I asked you a question. Do you stipulate that Exhibit 3 is a product of the defendant, yes or no? [9]

Mr. Miketta: No. For the reason——

The Court: Very well, let us proceed, gentlemen. You do not need to say anything more about it. It would just take up a great deal of time. Proceed.

Mr. Schmieding: We also have a witness, your Honor, who had this chart made, which I would like to have marked for identification purposes Plaintiff's Exhibit 22.

The Court: 22 for identification.

Mr. Schmieding: Which shows the patent, a cross-section of the patent in suit, shows a cross-section of plaintiff's flare. The reason I am introducing these cross-sections of plaintiff's flare is to show that the patent has had utility and is used substantially as shown in the patent and the cross-section of the defendant's flare. We also have replicas of those for your Honor's convenience.

The Court: They are just illustrative?

Mr. Schmieding: Yes.

The Court: They are merely copies of Exhibit 22 for identification?

Mr. Schmieding: That is right.

The Court: Very well. Do you wish one marked?

Mr. Schmieding: Yes, sir.

The Court: The chart itself will be in evidence, I take it. It is marked here for identification. Is there any necessity of marking a small chart into evidence? [10]

Mr. Schmieding: I would think that we may want to put copies of these in our brief. Let us mark it 23.

The Court: 22-A.

Mr. Schmieding: 22-A.

The Clerk: Will this likewise be for identification?

The Court: 22-A for identification is a small replica of the chart Exhibit 22 for identification.

Mr. Schmieding: I believe by using this chart I can explain generally what the patent is directed to. It comprises what is known in the art as a cartridge case, which is a small case at the rear

end of the entire projectile. That cartridge case is provided with a shell which abuts the breech end of a pistol such as plaintiff's exhibit marked for identification Plaintiff's Exhibit 17. I will get one that has been fired.

That fits into this gun very similar to the shell of a shotgun fits into the breech of a gun. It is a short cartridge case and carries a relatively long, what is known in the art as a projectile case. That is shown in the green, the cartridge case in the orange.

Between the ends, the base of the projectile case and the interior of the cartridge case, there is a charge of powder and the end of the cartridge case carries a filing cap which, when the trigger of the gun is pulled, causes fire to be spit into the cartridge case, which causes the [11] projectile to be sent into the air.

The projectile case is made of very light metal. The purpose of that is to cut down the weight of the material; also, whatever goes up has to come down, and it is desirable that it be as light as possible so if in case it does fall and strike someone, they will not be injured. And it is also desirable to have the projectile case as thin metal as possible because we want to place in this relatively small container as much flare material as possible. We also must carry a relatively large parachute.

In this projectile case the base of it carries a little, what they term in the patent, eyelet, which is a small tube, and that contains a compressed powder which burns slowly. That compressed pow-

der, the right end of it, is ignited by the explosion that takes place in the cartridge case at the time that the projectile case is projected. That burns slowly, and while that is burning slowly the projectile is being sent into the air. When it reaches substantially its zenith of its flight, which is 150 feet or more, a second cartridge of black powder is exploded. That is indicated. That is No. 6 in the patent. We marked it "black powder" on the chart. When that explodes it will eject the flare and the parachute. The parachute and flare will move in one direction and the projectile case in the opposite direction and, of course, they both fall slowly to the earth. [12]

As Mr. Miketta stated, there generally is nothing new in providing a cartridge case and a parachute in a projectile case. But here we have specific arrangements of parts which are the cause of the success of this particular shell. [13]

* * *

The claims we rely upon in this case are specific and there are some slight differences in defendant's structure from the patent in suit. But the elements used by defendant are substantially the same and do the same work and accomplish the same result. And in this connection I wish to call your Honor's attention to the very recent decision of the Supreme Court of Graver Tank and Mfg. Co., Inc., v. Linde Air Products Co.

The Court: Yes, I am familiar with that [14] decision.

* * *

A. I do not have any note of the patent in suit being in evidence. Is it in evidence yet?

* * *

The Court: Yes, a copy is attached to the complaint as Exhibit 1. [19]

* * *

The Court: Is there any objection to receiving them in evidence in this form in which Mr. Miketta now proposes them?

Mr. Schmieding: I have not had an opportunity to see this, your Honor.

The Court: Of course, you are entitled to have the original interrogatories and the original answers offered. [22] But if there is no objection to the receipt of this compilation in a more convenient form and subject to check if you find anything different about it. [23]

* * *

DEPOSITION OF ARTHUR F. HUBBARD

The Court: He was referring, I take it, to this Plaintiff's Exhibit 5 for identification, a specimen of plaintiff's flare that has been shown.

Mr. Miketta: Flares under this patent.

The Court: He says over on page 6 of the deposition, "what was known when I was with the company as a No. 52 signal."

Overruled. [45]

* * *

"Q. (By Mr. Schmieding): Was it necessary to obtain approval on flares like Exhibit 5?"

* * *

(Deposition of Arthur F. Hubbard.)

“A. It was necessary prior to the time that they could be marketed commercially to the steamship operators. All equipment relevant—I think it is relevant—that is used on the steamships that come under the jurisdiction of the then Bureau of Marine Inspection and Navigation, had to be an approved type of equipment. [46]

Mr. Miketta: “What time are you referring to?

The Witness: “The early 30’s.

“Q. You say you made flares like Exhibit 5 back in 1934. Was the flare that you manufactured and sold in 1934 approved by any of the government departments?

Mr. Miketta: “Objected to on the ground it seems a fact not in evidence. The witness has not stated that the flare which he has in his hand at this time was identical or is identical to the flares which were manufactured and sold in 1934, or 1935.

Mr. Schmieding: “Q. You can answer the question.

“A. You mean the question you asked me?

“Q. That is right.”

* * *

The Court: The objection is overruled. You may read the answer.

Mr. Schmieding: “A. We manufactured these flares in the early part of the 30’s, essentially I would say practically identical with this, and we had approval from the government agencies on this flare.

(Deposition of Arthur F. Hubbard.)

“Q. Do you know approximately when you obtained that approval?

“A. I would say around 1934—’33, ’34. My dates, gentlemen, are a little bit vague. I am drawing from a period [47] over 15 years back.” [48]

* * *

Mr. Schmieding: “Q. Could you specifically state the difference between the flare that was approved by the government in 1934 and [49] Exhibit 5?

“A. I would say it is identical, with the possible exception as I say, that I cannot state categorically that there were two gas checks there, and this spacer here——

“Q. Will you refer to it more so it is clear in the record?

“A. This spacer which rests at the bottom of the projectile case, and it has a central cavity through which the delay fuse enters the projectile case. That spacer used to be made of a wooden block; this is a pressed paper spacer. Other than that, I see no difference whatsoever.

“Q. To your knowledge at the time that International entered the field in the sale of flares like Exhibit 5, were there flares on the market that performed the function of the flare shown in Exhibit 5? “A. Definitely there were not.” [50]

* * *

“A. (By Mr. Hubbard): Well, prior to the time that this aerial signal was developed by us——

(Deposition of Arthur F. Hubbard.)

“Q. ‘This aerial signal,’ Exhibit 5?

“A. This Exhibit 5. The only thing that was a prescribed requirement for life boats, life rafts, was a hand signal, 2-minute hand signal that ignited from a scratcher cap. You would hold it in your hand; it would burn two minutes at whatever level the holder was. By reason of the fact that the natural curve of the earth would block out that signal, a visibility at a distance of three to five miles, its efficiency from the standpoint of being a signaling [52] device was naturally very limited. After we had in collaboration with the Coast Guard developed different types of aerial signals and flares for their use, we thought that there might be a market for a signal of this type, Exhibit 5, commercially, for life boat and life raft use. Before we could do anything toward the commercial exploitation of the item, however, it was necessary to receive the approval of the governing body, which at that time was the Bureau of Marine Inspection and Navigation of the United States Department of Commerce, who controlled all items that went on to boats, life rafts, life boats, life preservers, anything that went on in the commercial steamship operations. Naturally, the commercial steamship operators were not going to use anything that was not approved by the governing body, the Bureau of Marine Inspection and Navigation. In the first place they were not allowed to.

“We had to prove to the Bureau of Marine Inspection and Navigation that our item possessed

(Deposition of Arthur F. Hubbard.)

merit far above what they had already approved as equipment for life boats and life rafts. We were able to do so by reason of tests they put on in New York Harbor on several different occasions, out of Baltimore, where we had the Supervising Board for demonstrations, and I think we went on Coast Guard cutters and we proved visibility from 26 to 30 miles away as compared with the previous limited visibility of from three to five [53] miles. I think that was about the figure. After which, and after much wrangling with them, they made a mandatory requirement that all boats and life rafts"—

I am reading the corrections that were made by the witness.

“—of ships under the American Registry should be equipped with an approved type of pistol and signal flare of this kind.

“Q. ‘This kind,’ is that Exhibit 5, you mean?

“A. Yes. There were certain functional characteristics prescribed at the time. I don’t say that no other signal made differently wouldn’t receive approval. In fact, there were others received approval subsequent to our pioneering the market on the thing.” [54]

* * *

“Q. (By Mr. Schmeiding): To whom would these flares eventually go after they were manufactured?

“A. Eventually go to the steamship operators.

(Deposition of Arthur F. Hubbard.)

“Q. Did you ever associate with any of the steamship operators?

“A. I used to make sales to them.”

* * *

“Q. Do you know a Mr. Baack?

“A. Yes. Billy Baack is Secretary of the Coston Supply Company of New York. I have known Baack for many years.” [55]

* * *

“Q. I believe you stated that many thousands of these flares like Exhibit 5 were manufactured and sold by the Kilgore Manufacturing Company and the International Flare Signal Company. Could you be more specific in that?

“A. How specific do you want me to be? I would say it is well in excess of a hundred thousand, if that is close enough. I know it is in excess of that.” [56]

* * *

“Q. With the groove?

“A. Yes, a different type of signal altogether, though. I mean the use of it was different.

“Q. It was a parachute type of signal flare?

“A. Yes, but it could not be shot in the type of pistol approved by this Bureau of Marine Inspection and Navigation. That annular type was shot from the muzzle of a pistol that was an airplane signal. This is a breech-loading proposition [60] here.”

* * *

(Deposition of Arthur F. Hubbard.)

Mr. Hann (for Mr. Miketta): "Q. Were those specifications in writing at that time?"

* * *

The Court: Aren't these questions and answers given in response to your questions on [63] cross-examination?

Mr. Miketta: That is correct, your Honor.

The Court: Motion denied.

* * *

"Q. A hand-type of signal which was lit in very much the same way that you'd light a Roman candle or a burning stick?

"A. No; it was a scratcher type. There was a cap on the end that by removing a strip of cloth you exposed a scratcher on this cap that went over the end of the signal. By reversing that cap and scratching across the prime head of the signal, you could ignite it. You would hold it in the hand.

"Q. Then it would burn like a torch?

"A. That is right." [64]

* * *

"Q. But it would not eject any signal to any height?

"A. That is correct. There were signals manufactured at that time, prior to that time, that could be projected, but not the parachute type of signal. In World War I there was what they called the Very Pistol; you shoot a star in the air.

"Q. You are familiar with the Very Pistol and the star shells?

(Deposition of Arthur F. Hubbard.)

“A. Star shells were not pistol operated.

“Q. It is your contention that there were no parachute type flares prior to the invention allegedly made by Driggs and Faber in the patent in suit?

“A. No, I don't say that; but they had never been offered commercially. There were parachute signals made prior to that time of a sort.

“Q. They were not in commercial use?

“A. That is correct.” [65]

* * *

“Q. I want to call your attention to one thing here. Is this characteristic of the Kilgore construction, wherein this little—I think you call this the timing nipple?

“A. Delay fuse.

“Q. It is in the form of a tube, or eyelet, provided with the flange, is that right?

“A. That is correct.

“Q. I notice in this Exhibit No. 5, that the flange of that eyelet holds a piece of felt?

“A. Yes.

“Q. Against that bottom? A. Gas check.

“Q. Is that characteristic of all the flares made by Kilgore and International Flare Signal? [73]

“A. To the best of my recollection, yes.” [74]

* * *

“Q. Did you actually go out and sell to these steamship operators in the course of your activities while you were still with Kilgore?

(Deposition of Arthur F. Hubbard.)

“A. We did at first.

“Q. I mean, did you personally?

“A. I did, definitely.” [75]

* * *

“Redirect Examination

“By Mr. Schmieding:

“Q. I will show you a piece of apparatus which I have marked for identification Plaintiff’s Exhibit No. 7, and ask you whether you can identify that?

“A. That is a No. 52 red parachute signal, from all external indications of it.”

* * *

“Recross-Examination

“By Mr. Miketta:

“Q. You said this was a No. 52 type flare. How many [76] numbers were there?

“A. Well, may I explain the origin of that No. 52? It may answer your question. Supplement 52 of the Regulations of the Bureau of Marine Inspection and Navigation was issued way back in the early days. Supplement 52 of the Regulations made a mandatory requirement for this type of signal. We called it No. 52 signal. That was the only reason for the No. 52.

“Q. Do you use other numbers to identify different types of flares? A. Oh, yes.

“Q. How many numbers were there all together? A. I can’t answer that question.

“Q. Twenty, thirty, a hundred?

(Deposition of Arthur F. Hubbard.)

“A. I would say around 30, 40, something like that.

“Mr. Miketta: That will be all.”

“Further Redirect Examination

“By Mr. Schmieding:

“Q. While you were employed by International Flare Signal Company and the Kilgore Manufacturing Company, who had charge of the sales records of those companies?

“A. You mean direct charge?

“Q. Yes. A. Some clerk in the office.

“Q. Who had supervisory charge?

“A. Well, one of my subordinates. Last analysis was [77] me, I guess.

“Q. While you were president of the International Flare Signal Company and vice-president of the International——

“A. Vice-president of Kilgore.

“Q. Yes; vice-president of Kilgore Manufacturing Company; did you have knowledge of the sales that were made by these companies?

“A. Very definitely.”

“Further Recross-Examination

“By Mr. Miketta:

“Q. Did you have anyone as a sales manager or district sales manager? A. I was it.

“Q. You had salesmen?

“A. No, we had no salesmen in the direct em-

(Deposition of Arthur F. Hubbard.)

ploy of the company except myself up to the time that I left the company. All the trade contacts were made by me.

“Q. That is when you were with the Kilgore Manufacturing Company? A. That is right.

“Q. Later on, when International Flare Signal got into the picture, what was the situation then?

“A. The same thing.

“Q. You didn’t use any salesmen at all?

“A. No salesmen. I said in the direct employ of [78] the company. We had men who operated on a commission basis, but with people like Coston or C. J. Hendry on the West Coast, such people as that, the contact was made directly by me or a representative in the case of Hendry on the West Coast and which I believe they still have.

“Q. In other words, they acted as your distributors in effect?

“A. Well, the fellow on the West Coast operated as a manufacturer’s agent. He had several lines and he handled our line as one of them. I am speaking of the chap on the West Coast.”

* * *

The Court: Very well. Do you offer Exhibit 5 for identification at this time?

Mr. Hann: Offer it in evidence.

Mr. Schmieding: I offer it into evidence at this time, [79] your Honor.

The Court: Is there objection?

Mr. Miketta: No.

The Court: Received into evidence. [80]

* * *

DEPOSITION OF GEORGE N. HATCH

“Q. What does the International Flare Signal Division of Kilgore Company make?

“A. They make all types of emergency landing flares for planes, all types of pyrotechnic signal equipment for planes. We make marine signalling equipment, distress equipment both of the parachute type and the hand type. We make smoke signals, distress signals approved by the Bureau of Merchant Marine and Inspection. We do a lot of subcontract work for different companies such as the Austin Company, Halliburton Oil Well; Westinghouse on research problems. We manufacture some types of munitions for the War Department.” [83]

* * *

“Q. (By Mr. Schmieding): To your personal knowledge, how long has a flare like Exhibit 5 been manufactured?

“A. To my personal knowledge since 1946, when the sale of these items came under my jurisdiction.

“Q. To your personal knowledge, has there been any change made in the manufacture of flares like Exhibit 5 since 1946?

“A. No; up until the present date?

“Q. Yes.

“A. Yes, there has been, because in the latter part, or the early part of last year, there was a new specification came out governing certain features of

(Deposition of George N. Hatch.)

this signal insofar as waterproofing and so on are concerned, so we did make some slight changes, only insofar as sealing, however.

“Q. What was that change?

“A. Well, that change includes some sealing composition between the projectile and the shell casing, a heavier [85] coat of lacquer on the top, that the cork sealing end and the signals are not placed in, each individual signal, in polyethylene bags.

“Q. To whom does Kilgore sell flares like Exhibit 5?

“A. Well, I have a list here of 19—that is, sales to various customers in 1946; 1947 and 1948 lists were not completed yet because it required going through a large number of invoices. I have the record here taken from the Tipp City sales record for 1944 and 1945.

“Q. Who has charge of those records?

“A. I do.

“Q. Will you read into the record the number of sales made during that period?

“A. The number of sales?

“Q. Or the names of the companies to whom you sold?

“A. Everything is in but Coston, because we had already turned Coston's record in.

“Mr. Miketta: May I direct some questions voir dire on this, Mr. Schmieding?

“Mr. Schmieding: Yes, go ahead.

(Deposition of George N. Hatch.)

“Voir Dire Examination

“By Mr. Miketta:

“Q. Did you personally prepare these lists?

“A. I personally prepared this list, not this one.

“Q. The 1944 and 1945 lists were personally prepared [86] by you? A. That's right.

“Q. And they were taken from the original records of the Kilgore Manufacturing Company?

“A. That's right.

“Q. I notice under 1944 there are some figures and letters such as 18D, 2D, 12D.

“A. That means 18 dozen, 2 dozen, 12 dozen, together with the 1945 record for that same company, a total of 77 dozen we had sold this company, which was Black Hardware of Galveston, in 1944 and 1945.

“Q. How were the original records marked from which you made this tabulation, Mr. Hatch? What was their form?

“A. Their form was a regular Tipp City form, a copy of the order to the shipping department to ship these items, what they called a factory shipping order.

“Q. Was that a separate shipping order for this 18 dozen and then another one for the 20 dozen, and then another one for the 2 dozen which appears under the heading 1945 and opposite Black Hardware?

“A. Each entry indicates a separate shipping order.

(Deposition of George N. Hatch.)

“Q. What was on those shipping orders? Whose was 24, 28 dozen?

“A. So many dozen, 18 dozen No. 52 red parachute flares. [87]

“Q. That order was dated?

“A. That order was dated.

“Q. What time in 1945 did you become associated with Kilgore Manufacturing Company? September 15, that is?”

That does not make sense to me now. Are there any corrections on that page?

“A. That is right, but understand that we did not take this operation to Westerville until January 1, 1946.

“Q. Had you been stationed at the Tipp City plant at all?

“A. Yes, not actually stationed, but because of the fact that the Tipp City plant was involved in a great deal of development work for which Westerville was the prime contractor, I had occasion to be there quite a bit at the time.

“Q. Are there published specifications or standard specifications to be followed by the manufacturing department of Kilgore Manufacturing Company and International Flare Signal Division in the manufacture of each one of these variously numbered flares?

“A. Oh, yes, because all of the flares that we manufacture, for instance our emergency landing flares for planes, come under the jurisdiction of CAA and are subject to CAA inspection. They have

(Deposition of George N. Hatch.)

to meet certain specifications. These units we manufacture for the Bureau of Marine Inspection [88] come under Coast Guard inspection. They have to meet certain specifications.

“Q. I mean when the plant is going to make, let us say, a thousand, five thousand, twenty thousand No. 52 flares, is there a certain fixed and definite specification followed that gives instructions as to the type of flare, composition to be employed, the type of expelling charge, how much, how many grains, and so forth?

“A. I will not say that they are government specifications.

“Q. I mean for your own plant?

“A. Oh, yes, that is right. There are specifications and blueprints.

“Q. Have you asked to examine all of those to make sure they haven't been changed since 1944?

“A. No, they have not.”

Then I made this objection, your Honor:

“I would object to the introduction of those lists on the ground that they are secondary evidence. They are not original entries; they are not original records. It is quite evident that there is no indication that those shipments—or no proof—that those shipments were made of any particular type of flare manufactured of any specified ingredient, although specifications apparently exist.”

The Court: This has not been offered here, has it, [89] or identified here?

Mr. Miketta: Well, they have not as yet been

(Deposition of George N. Hatch.)

identified, but we are coming to them subsequently, and the lists, I believe Mr. Schmieding does intend to offer them in evidence.

The Court: Very well, we will meet that when the time comes.

Mr. Miketta: Thank you, your Honor. I will continue.

“Q. Mr. Hatch, then your remarks with respect to the typewritten tabulation and headed 1946 would be the same as those remarks that you have made with respect to the 1944 and 1945, except that the typewritten list was prepared by one of your clerks?

“A. With one exception, that the 1946 list was taken from copies of invoices.

“Q. And not from shipping orders?

“A. Shipping orders, right.”

And then I voice the same objection to the other list, the 1946 list, that I had to the 1945-1944.

Mr. Hann:

“Direct Examination—(Continued)

“By Mr. Schmieding:

“Q. Mr. Hatch, will you read into the record, the names of the companies to which Kilgore has sold flares like Exhibit 5, and the address?

“A. Air Associates, Chicago; E. S. Burman, Chicago; Black Hardware, Galveston; Blake Company, New Haven, [90] Connecticut; Clark and Borman, Chicago; Durkee Company, New York;

(Deposition of George N. Hatch.)

Flood and Calvert, Galveston; Fox River Boat Works, De Pere, Wisconsin; Gulf Electric Supply Company, Pensacola; Gulf Coast Marine Supply Company, Mobile; Globe American Company, Kokomo; Gordon and Company, Manteo, North Carolina; J. Hendry Company, San Francisco; Kergard Boat Company, Marietta.

“Q. Marietta where, do you know?

“A. No. John Lekie Company, Toronto, Canada; Frank and Gordon, Cleveland, Ohio; U. S. Marine School, New London; Manteo Equipment Company, Manteo Boat Equipment Company, Manteo, Wisconsin; Neptune Supply Company, New Orleans; Newbold Company, Newport News; Oregon Marine Supply, Portland; Phillipps Hardware, Miami, Florida; Howard Roth, Deedee, Florida; Sunde and Devers, Seattle; Tidewater Supply, Norfolk; Tampa Marine Supply, Tampa; Van Karner Chemical Arms Supply, New York; Kelvin and Wilford White, Boston; Elisha Webb, Philadelphia; Walker Company, Baltimore, and the United States Government at Aberdeen, Maryland.

“Mr. Miketta: May the record show—and correct me if this is not true, Mr. Hatch, that some of the names that you read, some of the companies whose names you read, did not receive No. 52 flares in 1944, and some of the companies just listed by you did not receive flares in 1946?

“The Witness: Now that may be true; I would have to glance over that again. That is true, [91] yes.

(Deposition of George N. Hatch.)

“Q. All of those companies that you just read into the record received flares from the Kilgore Manufacturing Company either during 1944 or 1945? A. That’s right.

“Q. Could you tell me approximately how many—let me ask you this question—could you tell me approximately how many flares were sold in 1944?

“A. I can give you the approximate number in 1944 and 1945.

“Q. Like Exhibit 5?

“A. In those two years?

“Q. Yes, that will be all right.

“A. Approximately six thousand dozen.

“Q. Now are there any additional companies in your 1946 list?

“A. There are, and may I point out that the Coston Supply Company is not included in ’44 and ’45 because you already had that record here.

“Q. Will you look over that 1946 list and read in the record any other companies, any companies mentioned there, that are not included in the list that you just read into the record?

“A. American Munitions Company, Chicago Illinois; Ace Coin Machine Company, Dallas, Texas; Akron, Canton and Youngstown Railroad, Akron, Ohio; Frank T. Didge, Miami, [92] Florida; Blue Streak Enterprises, New Orelans; Crosby Yacht Building and Storage Company, Osterville, Massachusetts; Clark and Lund Boat Company, Oshkosh, Wisconsin; Favor Manufacturing Company,

(Deposition of George N. Hatch.)

Detroit, Michigan; Freeport Marine Supply Company, Freeport, New York; Foote Mineral Company, Philadelphia, Pennsylvania; Geophysical Service, Inc., Dallas, Texas; J. H. Hutton, Chautauqua, New York; Byron L. Harmon, South Bend, Indiana; Harbor Lights and Boat Club, Chicago, Illinois; Iroquois Club, Ashtabula, Ohio; Kimberly Clark Corporation, Neenah, Wisconsin; F. G. McFarlane, New Orleans; E. E. MacIntosh, Niagara Falls, New York; J. T. O'Connell, Inc., Newport, Rhode Island; Osgood Marine Ways, St. Petersburg, Florida; Servair, Inc., Detroit, Michigan; Shell Oil Company, Houston, Texas; Fred Schaub, Big Rapids, Michigan; United States Navy, Port Hueneme, California. That is all.

"Q. Were they purchasers of flares like Exhibit No. 5? A. They were.

"Q. Each and every one? A. Yes.

"Q. Have you tabulated the number of flares sold in 1946 like Exhibit 5?

"A. One thousand six hundred nineteen and one-half dozen." [93]

* * *

Mr. Schmieding: Your Honor the witness had charge of these sales. He actually called on these people and made the sales. There could be no better evidence than the man who actually did the selling.

He should know whether he sold them or whether he did not.

Mr. Hann: "Q. Do you know a Mr. W. R. Baack? A. I do.

(Deposition of George N. Hatch.)

“Q. In what way do you know him?

“A. Well, Mr. Baack is Secretary of the Coston Supply Company and is one of our very good customers. I contacted Mr. Baack quite frequently in my visits to New York on sales.

“Q. Does the Coston Supply Company purchase material from your company?

“A. Yes, they do.

“Q. What do they purchase?

“A. They purchase units similar to Exhibit 7. They also purchase hand signals, hand smoke signals, and hand flares.

“Q. Do you know, could you identify Mr. Baack's signature? [94] A. I think I could.

“Q. I show you paper marked for identification Plaintiff's Exhibit No. 6 and refer you to the signature in the lower right hand corner, and ask whether or not that is Mr. Baack's signature?

“A. This, to the best of my knowledge, is Mr. Baack's signature.”

The Court: There is a stipulation by Mr. Miketta on page 56, is there not, that the letter does bear the signature of Mr. Baack?

Mr. Miketta: Oh, I don't question that apparently is his own signature. They have not introduced it in evidence, your Honor, and I was not going to confuse everything at this time until they attempted to introduce it.

The Court: Do you wish to read the stipulation, or do you agree now there is a stipulation?

Mr. Miketta: I will read the stipulation.

(Deposition of George N. Hatch.)

“I will stipulate that is apparently the signature of a Mr. Baack, but I will not stipulate as to the truth of any statement, or to the veracity of any statements appearing in that, because it is not the proper method of proof of what you are introducing it for.”

I am not stipulating the admissibility of that document for any evidence of any statements appearing on its face.

The Court: Are there any qualifications to your stipulation [95] that the letter was signed by Mr. Baack, the secretary of the Coston Supply Company?

Mr. Miketta: No, your Honor. I so stipulate.

The Court: Very well, proceed.

Mr. Hann: “Q. I hand you this Exhibit 6, and ask you when you first saw the same?

“A. I can only answer in this way, that I first saw this letter on November 29, 1948, when it came to my desk.

“Q. Do you know whether or not this letter was written at the request of anybody from Kilgore Manufacturing Company? A. It was.

“Q. Whose request? A. At my request.

“Q. Could you state what you asked Mr. Baack to give you by letter?

“A. I asked Mr. Baack if he could give us from his purchase order records, the number of 52 parachute flare units that they had purchased from us since the signing of their contract with us as our eastern coast representative.”

(Deposition of George N. Hatch.)

Do you want to offer it in evidence?

Mr. Schmieding: I at this time desire to offer this letter into evidence as Plaintiff's Exhibit No. 6.

The Court: Where is it?

Mr. Miketta: That is objected to, your [96] Honor.

The Court: It has been marked 6 for identification here, has it?

Mr. Schmieding: It has been marked, yes, sir.

Mr. Miketta: Objected to on the grounds it is not the best evidence, and certainly not evidence as to any of the facts appearing thereon.

The Court: What is the purpose of the offer?

Mr. Schmieding: The only purpose of the offer is to show that the plaintiff has sold flares to the public, including that particular company.

The Court: The witness has testified he sold to that particular company, has he not? So what is the purpose of this letter? To show the amount of the sales?

Mr. Schmieding: Not necessarily, your Honor. That is the letter that was received at Mr. Hatch's request for information as to sales to that company. That is the letter Mr. Baack wrote back to him.

The Court: The objection is sustained. Proceed with the deposition.

Mr. Hann: "Mr. Schmieding: Mark this for identification Plaintiff's Exhibit No. 8.

"(Thereupon, paper writing was marked for the purpose of identification Plaintiff's Exhibit No. 8.)"

(Deposition of George N. Hatch.)

Mr. Schmieding: May I have that marked?

The Court: Do you have 8 for identification, Mr. Clerk? [97]

The Clerk: Yes, I have it.

The Court: What does it appear to be?

The Clerk: A document headed "United States Coast Guard General Rules and Regulations for Vessel Inspection Ocean and Coastwise, August, 1943."

Mr. Schmieding: I now offer that into evidence as Plaintiff's Exhibit No. 8. It is one of the defenses set up in the answer by the defendant.

The Court: Is there any objection?

Mr. Miketta: Not at all.

The Court: Received into evidence.

Mr. Miketta: I think that is identical to our Defendant's Exhibit D, is it not?

Mr. Schmieding: Yes.

The Court: Exhibit 8 for identification is received into evidence. Proceed with the deposition.

Mr. Hann: "Q. I show you photostatic copy of a pamphlet entitled 'General Rules and Regulations for Vessel Inspection, Ocean Coastwise,' August, 1943, of the United States Coast Guard, and which is cited in Defendants' Answer, and ask whether you have ever seen a paper like that before?

"A. Yes, I have.

"Q. To your personal knowledge do you know of any other issues of the United States Coast Guard dealing with the subject matter of that particular Exhibit 8? [98]

A. Yes, I do.

(Deposition of George N. Hatch.)

“Q. When was that issued?

“A. I believe in 1948.

“Q. I show you paper which is marked Plaintiff’s Exhibit No. 4, and ask whether you have ever seen anything like that? A. Yes, I have.

“Q. Is that the paper to which you referred when you said you saw another issue in 1948?

“A. That is right, this and a later draft.

“Q. Other than those three drafts, do you know of any other specifications that deal with that subject matter?

“A. Not issued by the government.

“Q. To what do those specifications refer, Exhibit 8 and Exhibit 4?

“A. They refer to the performance of this 52 red parachute signal.” [99]

* * *

The Court: Where is Exhibit 4 that is referred to?

* * *

The Court: Apparently a copy from the 1948 Regulations of the Coast Guard, isn’t it? I rather gather that from the subsequent testimony that has just been read.

* * *

Mr. Schmieding: It has been marked for identification.

The Court: Let it be marked here as Plaintiff’s Exhibit 4 for identification. It is the Rules and Regulations of the Coast Guard, 1948 edition of them.

(Deposition of George N. Hatch.)

Mr. Schmieding: That is right.

The Clerk: Called "Specifications for Signals, Distress, Pistol-Projected Parachute Red Flare (and Signal Pistol)."

The Court: Of the Coast Guard?

The Clerk: Yes, your Honor, dated 10 February, 1948.

The Court: Very well, you may proceed, Mr. Hann.

Mr. Schmieding: I offer that into evidence [100] as Plaintiff's Exhibit No. 4.

* * *

The Court: Exhibit 4 for identification is received into evidence.

* * *

Mr. Hann: "Q. Do you know from your own knowledge, independent of these records, of the relative quantity of 52 flares sold like Exhibit 5 while you were employed by the Kilgore Manufacturing Company?"

Mr. Miketta: I objected to that as ambiguous and indefinite.

The Court: Overruled. You asked the witness if he understood the question and the witness replied "yes."

Mr. Miketta: Let us skip all that. The answer was "That is correct."

Mr. Hann: "Q. Independently of those records, do you know whether they were sold in quantities?"

"A. Yes, I do.

(Deposition of George N. Hatch.)

“Mr. Schmieding: That is all.” [101]

* * *

“Q. (By Mr. Miketta): You wrote Mr. Baack a letter asking him for this information, did you not?

“A. No, I did not; I asked him for it over the telephone. [104]

“Q. I see. Is Mr. Baack an expert on pyrotechnics? A. No, he is not.

“Q. You have known him for some time?

“A. Since 1946.

“Q. Are you certain from personal examination of the Kilgore Company's records that each of the companies whose name you read from the 1946 list, as additive to the '45, '44 list, actually purchased No. 52 flares?

“A. I did not personally compile the 1946 list. My billing clerk compiled that list from copies of her invoices.

“Q. Did you ever have returns of any shells that are sold, or flares that are sold?

“A. No, we do not.

“Mr. Miketta: That is all.

“Redirect Examination

“By Mr. Schmieding:

“Q. At whose request did the billing clerk compile the 1946 record? A. At my request.

“Q. What did you request her to do?

“A. I requested that she go through her invoices

(Deposition of George N. Hatch.)

starting in 1946 when the material was manufactured and shipped from our plant, and list for me all customers who [105] had purchased the No. 52 red parachute signals and the quantities that they had purchased." [106]

* * *

CHARLES SCHNEIDER

* * *

Direct Examination

By Mr. Schmieding:

* * *

Q. I show you Plaintiff's Exhibit No. 2; is this one of your manufacture?

A. I will have to see the marking. (Witness looking at exhibit.) Yes.

* * *

Q. (By Mr. Schmieding): I show you a flare marked for identification Plaintiff's Exhibit 3 and ask whether you can [139] identify that flare?

A. Identify this what?

The Court: Is that one of the defendants' flares?

The Witness: I can't be sure. The case is marked here. I can identify the case.

The Court: Is the case manufactured by the defendant?

The Witness: No; it is manufactured by the Aluminum Company. That is to say, the case is.

Q. (By Mr. Schmieding): But you buy them from the Aluminum Company?

(Testimony of Charles Schneider.)

A. That is correct.

Q. That is the cartridge case and the projectile case?

A. That's right.

Q. Will you take a look at the candle in there? Does that look like one that you sell?

A. It looks like it. It looks like it.

Q. And the parachute?

A. I can't tell.

Q. Does that look like one you sell?

A. It could be. It looks like it, but I can't identify it.

Q. Can you place two gas checks between the parachute and the flare?

A. I don't know those details.

The Court: From all appearances, from your examination, [140] that appears to be one of the flares you sell?

The Witness: From the general appearance. I can't answer that last question as to the two checks.

The Court: As far as you can observe it with your naked eye from an examination of it, does it appear to be one of your flares?

The Witness: It could be, it appears to be, but I can't identify it positively.

The Court: Very well. Do you offer it in evidence?

Mr. Schmieding: I will reserve the offering, your Honor.

The Court: Very well.

Q. (By Mr. Schmieding): You started to manufacture flares like Exhibit No. 2 in July or August of 1947, is that correct?

(Testimony of Charles Schneider.)

A. I don't recall the exact date, but I believe that's right.

Mr. Miketta: I think that is covered, Mr. Schmieding, by the pre-trial stipulation, Section 6.

The Court: Are you referring to Exhibit 21?

Mr. Miketta: Yes, your Honor, pre-trial stipulation Exhibit 21.

The Court: Paragraph 6 on page 2, line 14:

"The plaintiff does not charge defendant with any acts of infringement prior to a [141] date in July, 1947, on which date defendant initiated the manufacture of parachute type signal flares," and so forth.

Q. (By Mr. Schmieding): I will show you Plaintiff's Exhibit No. 4, which is a specification by the U. S. Coast Guard, specification for signal distress pistol projected parachute red flares and signal pistol; have you ever seen that specification? I might add this was attached to your deposition that we took.

A. I believe this is a published specification, isn't it? I don't have to read through all of this. Unless you want me to identify it positively. I believe I have seen it. I have it in my own file, all these requirements here, if this is an official publication.

Q. Yes. When was that issued?

A. Am I required to read this? It is December 10, 1948.

Q. December 10—

A. I mean February 10th. I am sorry. February 10, 1948.

(Testimony of Charles Schneider.)

Q. What does this rubber stamp marking mean?

A. April 12, 1948, received by U. S. Coast Guard some place, I can't read it.

Mr. Miketta: Pardon me. Mr. Schneider, will you raise your voice a little so that I can hear you?

The Witness: All right. I am sorry. [142]

Q. (By Mr. Schmieding): But this specification was issued after you were in production?

A. That is correct, apparently. [143]

Mr. Schmieding: I ask that this flare be marked for identification purposes as Plaintiff's Exhibit No. 25. It is a longitudinal cross-section of a flare.

The Clerk: Plaintiff's Exhibit 25 for identification.

Mr. Schmieding: That is right.

Q. I show you Plaintiff's Exhibit marked for identification 25 and ask whether you can identify that flare?

A. I can't. This doesn't look familiar to me. Of course, I can't identify it. Let me see the markings.

The Court: Why don't you ask a leading question and suggest to him what it is?

A. I see our mark on the case here, and that would be the only way I could identify it. I can't identify this.

Q. (By Mr. Schmieding): In your manufacture you do put a flare at the bottom of the projectile case above that gas check?

A. I will tell you, I am not familiar with the details of the manufacture. I can't give you any

(Testimony of Charles Schneider.)

positive answers to those things. I don't know the details of the manufacture.

Q. You would not say it was not one of yours?

A. I can't say it was not, I can't say it was. I just can't answer the question.

Mr. Schmieding: I will reserve introducing this.

Mr. Miketta: If the Court please, we would be very glad to submit, if counsel so desires, a complete projectile shell, [144] empty, and the little base cap that is used in ours. But, for your information, Mr. Schneider does not know the details of manufacture. If you want a flare or a case and the cap, we will be very happy to produce it and identify it.

Mr. Schmieding: I thought perhaps that he would be able to identify his own flare so we would have less trouble. I will refrain from asking him questions along that line. [145]

* * *

The Witness: That is correct. I don't know of any other manufacturer. Do you? At least, I don't know of any other manufacturer at the present time. [160]

* * *

HERBERT C. CLAUSER

* * *

Direct Examination

By Mr. Schmieding:

Q. Your name is Herbert C. Clauser, and you reside in Westerville, Ohio?

(Testimony of Herbert C. Clauser.)

A. That's correct, sir.

Q. You are about 61 years old, Mr. Clauser?

A. Yes, sir, that's correct.

Q. By whom are you employed, Doctor?

A. Kilgore Manufacturing Company.

Q. And in what capacity?

A. Director of Research and Development.

Q. Could you be more general in explaining what that entails as to your duties with the company?

A. Yes, sir. Various projects that come to our company from the military, that is, either Air, Army or Navy, they are handed to my department for development, if possible, to see what development or what changes can be made so as to make a usable material for the purpose that it is intended. That [167] is not only true of the military forces, but it is equally true of private industry. We do a lot of development work on various projects that we take up and develop, if possible, for private industry.

Q. Is that mostly limited to pyrotechnics?

A. When it comes to my attention it is not limited to it, but it is allied to it, it bears on it.

Q. Doctor, will you give your education, the degree of education you have had? You went to college, I understand. Will you tell me what schools you went to?

A. Albright College, Cornell University, and the Johns-Hopkins University at Baltimore.

Q. At Albright College what did you major in?

(Testimony of Herbert C. Clauser.)

A. Chemistry, I took my B.S. degree in chemistry.

Q. At Cornell, what did you do?

A. Graduate work in chemistry.

Q. And at Johns-Hopkins you received your doctor's degree? A. Yes, sir, in chemistry.

Q. During this time did you do anything other than go to school?

A. Yes, sir, I was a poor boy and had to pay my own bills at college, therefore it became imperative for me to take a job as a teacher in chemistry from 1912 to 1915 to get money to go on with my graduate work 1915 to 1916 I [168] matriculated at Cornell University, did just graduate work there in chemistry. And in 1916 to 1919 my money ran out at that time, and I took another job as a research chemist, and we were then approaching—we were then at the precipice of World War I, and I entered the employ as a research chemist at the Aetna Explosives Company, which has now become the Hercules Explosives at Emporium, Pennsylvania. I worked there as a research chemist during the entire period of the war and for a short time thereafter.

Q. And what type of work was that, Doctor, what type of chemistry?

A. At that particular time it was entirely explosives, high explosives and black powder. I would say high order explosives and low order explosives. Black powder comes in the low order category; and

(Testimony of Herbert C. Clauser.)

nitroglycerin and TNT and fulminate of mercury, that comes in the category of the high explosives.

Q. After leaving Aetna where did you go?

A. I had money again then, and then I started to work to finish my doctorate degree. I went to Johns-Hopkins University. I was there from 1918 to 1921.

Q. From Johns-Hopkins where did you go?

A. I was then qualified to become research chemist at Picatinny Arsenal at Dover, New Jersey, which is the United States Army laboratory for research and development [169] work in explosives, pyrotechnics, et cetera. I went there as a research chemist. In connection with that, I officiated, had charge of the analytical chemistry laboratory. At the end of the war I was appointed as chemist in charge of the Army of Occupation at Coblenz, Germany, under Col. Maxwell, but that appointment was rescinded because of the fact that I was a married man. They preferred a single man.

Q. From the Picatinny Arsenal where did you go?

A. In 1924 I became employed as chief chemist of the Triumph Explosives Company at Elkton, Maryland, and I officiated there as the director in charge of the pyrotechnic division during my stay there, which was from 1924 to 1938.

Q. Did Triumph ever make any pyrotechnic apparatus?

A. Lots of it, from a million to two million dollars worth a year. It was exclusively pyrotechnic.

(Testimony of Herbert C. Clauser.)

Q. For whom did they make it?

A. They made it for the United States Military, Army, Navy and Air Forces.

Q. Any commercial?

A. Yes, sir, and commercial.

Q. During your occupation with these companies did any of them make a flare that was comparable with Kilgore's 52, or Exhibit No. 7?

Mr. Miketta: That is objected to, your Honor, as obviously calling for a conclusion. Let's get it a little [170] more specific. Did any of them make a parachute flare?

The Court: Sustained. I suggest that you rephrase it.

Q. (By Mr. Schmieding): Did any of those companies manufacture a flare that met the Coast Guard specifications?

A. Yes, sir, we manufactured those at Triumph Explosives, Inc., developed it. It met the function, but the construction was different.

Q. Was it a parachute flare, Doctor?

A. Yes, sir, it was.

Q. How long have you been associated with Kilgore, the plaintiff herein?

A. From 1938 to the present day.

Q. What was your previous employment, the next previous employment?

* * *

A. Triumph Explosives.

Q. Did the government employ consultants in pyrotechnics?

(Testimony of Herbert C. Clauser.)

A. Yes, sir, of different types.

Q. Have you ever been called upon?

A. I have been called—it is a common thing for me to be called in, that is, as a consultant, on the various problems as they concern pyrotechnics, by the Army and the Navy and Air Forces, as well. The fact of the matter is that [171] I should be at Wright's Field this week, that is, to take up a project where they are discussing a project concerning the making of a flare that is sadly needed in Korea.

Q. I show you a flare marked for identification as Plaintiff's Exhibit No. 7, and ask whether you can identify it.

A. According to the markings that is our 52 red parachute signal.

Q. By "our" you mean the plaintiff in this case?

A. Yes, the plaintiff, Kilgore.

* * *

Q. (By Mr. Schmieding): I show you a flare marked for identification Plaintiff's Exhibit No. 3 and ask whether you can identify that?

A. That is marked by the Signal Manufacturing Company of California, and from the outside appearances, as far as my knowledge goes, compares with it. Rather, it is identical [172] in appearance to two lots of signals that I had purchased by our purchasing department, two dozens at different times.

The Court: From whom?

The Witness: From ship's Chandler. The speci-

(Testimony of Herbert C. Clauser.)

fic name of the chandler I am not in position to state at this time, because that is handled by the purchasing department. The time at which it was purchased it was not realized, at least the first dozen, that it would be in litigation. [173]

* * *

The Court: It is a longitudinal cross-section of plaintiff's flares, will you so stipulate?

Mr. Miketta: Would the witness so testify?

Q. (By Mr. Schmieding): Would you so testify, that this is a longitudinal cross-sectional view of plaintiff's flare?

Mr. Miketta: In commercial production?

The Witness: May I ask a question at this stage?

The Court: Yes.

Mr. Schmieding: Go ahead.

The Witness: Was this section at our plant? Was the cross-section made at our plant?

Mr. Schmieding: You gave it to me, Doctor.

The Witness: That is all that I wish to know. It is a cross-section that I asked to be made of this signal. That is, [174] by the mechanical division of my development department.

* * *

Q. (By Mr. Schmieding): Dr. Clauser, did you have any drawings made of these longitudinal cross-sectional views of plaintiff's and defendant's flares?

A. Yes, sir, I did.

Q. Could you point to it?

A. On the board there.

(Testimony of Herbert C. Clauser.)

Mr. Schmieding: The witness points to Plaintiff's Exhibit 22.

The Court: For identification.

Mr. Schmieding: For identification. And I offer it in evidence as Plaintiff's Exhibit 22.

Mr. Miketta: May the Court please, we have the flares themselves now, and I think that could be used by your Honor for purposes of illustrating the witness' testimony, something [175] of that sort, but why burden the record with it in evidence?

The Court: I assume it is being offered to illustrate his testimony, but the foundation hasn't been laid yet, if you wish to insist on it.

Dr. Clauser, the top drawing on Exhibit 22, for identification, does that represent a drawing of a device pictured in the patent in suit?

The Witness: When I saw the placard with the drawings on it, the one in suit was at the top, so if that is that same placard, that is it.

The Court: The next one shows the arrangement of the component parts of the Kilgore flare?

The Witness: That was the order, yes, sir, that was on the placard that I had arranged.

The Court: Such as Exhibit 28? In other words, the middle chart there of Exhibit 22 would be, in effect, a diagram of what appears in Exhibit 28?

The Witness: Yes, sir, your Honor.

The Court: And the bottom drawing on Exhibit 22, for identification, would depict what is seen in a longitudinal cross-section of defendants' flare, Exhibit 25?

(Testimony of Herbert C. Clauser.)

The Witness: If the order is such as I had it made, if that is the placard, that is correct.

The Court: The top drawing you will notice is labeled "Patent," the second one is "Kilgore" and the bottom one [176] "Signal."

The Witness: That is an indication that that is the placard that was made under my direction and supervision.

The Court: Is there any objection to the offer?

Mr. Miketta: No, your Honor.

The Court: Very well. Exhibit 22 for identification, is received in evidence.

Q. (By Mr. Schmieding): They are a true representation?

A. They are, sir, because they were taken from cross-sections of the flares themselves.

The Court: And Exhibit 22-A, for identification, may be received if you desire to offer it, that being the small replica of Exhibit 22.

Mr. Schmieding: Yes, I offer that in evidence.

The Court: Exhibit 22-A, for identification, is received in evidence.

Q. (By Mr. Schmieding): Dr. Clauser, have you studied patent No. 1,947,834, the patent in suit?

A. Yes, sir, I have.

Q. I hand you a copy of Exhibit 22-A. Will you kindly point out and give the number of the cartridge case as depicted in the drawings of the patent?

The Court: Aren't all the various parts labeled and numbered on Exhibit No. 22 and 22-A? I as-

(Testimony of Herbert C. Clauser.)

sume those are the corresponding numbers which appear in the drawings of the [177] patent.

Mr. Schmieding: That's right, your Honor. I want to bring out that in the trade this 27 is known as the cartridge case, and No. 1 is known as a projectile case or shell.

The Court: I think you might ask leading questions on those matters, unless there is some issue about it.

Mr. Schmieding: All right.

Q. (By Mr. Schmieding): The trade terms the rear part, the small casing, the cartridge case, is that right, Doctor? A. That is correct, sir.

Q. And the elongated case the projectile shell?

A. That is the projectile case. The shell which is projected?

Q. Yes. A. That is the projectile. [178]

The Court: The projectile shoulder or case is No. 2 on the patent drawing, is it not?

The Witness: That is right, your Honor.

The Court: And the cartridge case?

* * *

The Court: Twenty-six, is it not?

The Witness: It looks like 27.

The Court: Twenty-seven is the cartridge case base, is it not?

The Witness: Yes.

The Court: Twenty-seven-a is the shoulder and 26 is the case itself.

Mr. Schmieding: That is right.

(Testimony of Herbert C. Clauser.)

The Court: Well, the drawing speaks for itself, Exhibit 22.

Q. (By Mr. Schmieding): In this patent the projectile case is shown as having a base and integral side wall, tubular side wall, is that right, Doctor? A. Yes, sir.

Q. The propelling charge for the projectile is shown as 35, is that correct? [179]

A. I couldn't see from here. Yes, sir.

The Court: Don't all of those items speak for themselves?

Mr. Schmieding: Yes, they do, your Honor.

The Court: On the drawing?

Mr. Schmieding: Yes, they do.

The Court: Exhibit 22.

* * *

A. Yes, sir.

Q. Will you please explain to the Court what those advantages are? [180]

* * *

A. Oh, yes.

Q. Does that integral structure have any advantage in that respect? A. Oh, definitely.

Q. Will you explain that to the Court, [182] please?

* * *

A. Surrounding—I don't get the question, [185] sir.

Q. This blue in 22.

(Testimony of Herbert C. Clauser.)

The Court: Are you referring to the patent figure now?

Mr. Schmieding: Yes. Referring to the patent figure, shows powder completely surrounding the left end of the fuse. Is there any advantage to that? [186]

* * *

Q. Are there any other material differences between the structure shown in the patent and that shown in Plaintiff's flare?

A. None apparent to the eye. [189]

* * *

Q. Yes. Would you say this flange rests upon the base, or not?

A. Essentially so, yes, sir, because that is—essentially so, because that is another precaution taken to prevent a flash-by, so it is resting on the felt and the [190] felt is resting on the base.

Q. Is that in the sense of a person resting on the floor, whereas he is really resting on his shoes?

Mr. Miketta: That is objected to, your Honor, as being argumentative.

The Witness: It is analogous to that.

* * *

Q. (By Mr. Schmieding): Will you point out in the patented structure a shell comprising a base and side wall of one piece of drawn metal? Will you point that out?

* * *

(Testimony of Herbert C. Clauser.)

The Court: Isn't what you just described the projectile case?

Mr. Schmieding: That's right. Did I say something else?

The Court: No. But I don't think you need to take up time on that. [191]

Q. (By Mr. Schmieding): I will refer you to Exhibit 22, again. Does defendant have a one-piece projectile shell? A. Yes.

Q. With an integral base? A. Yes.

Q. And side wall? A. Yes.

Q. Is there a compressed powder fuse in the base projecting into the shell? A. Yes, sir.

Q. And is there black powder surrounding that fuse? A. Yes, sir.

Q. And is there an annular wooden spacer block containing said powder? A. Yes, sir.

Q. Is there a washer? A. Where?

Q. A flare and a flare case mounted on the washer? A. Yes.

Q. Which washer is that? Is that the one at the right end, is that correct?

A. That's correct, sir.

Q. Does that flare have an exposed bottom to the black powder? A. Yes, sir. [192]

Q. Is there a parachute wire embedded in the top of the flare and coiled on the exterior thereof, exterior of the flare?

A. It is fastened to the covering, the tin cover of the flare, which is virtually being embedded.

Q. Does that flare have a washer mounted on it, on the flare?

(Testimony of Herbert C. Clauser.)

A. It has a washer mounted on the flare, yes, sir.

Q. Does the wire pass around that washer?

A. Yes, sir.

Q. Defendants' structure also has a parachute folded above the washer? A. Yes, sir.

Q. Is there a cork plug above the washer on defendants' structure? I refer you to Plaintiff's Exhibit 2.

A. A cork plug on the washer, is that the question?

Q. A cork plug above the washer.

A. Well, there is no cork in here, but its equivalent. It can be paper, it can be a composition, or it can be cork. It is just a question of which one is obtainable. Pressed paper.

Q. Is there any means to prevent the collapse of the parachute? A. In the defendants' signal?

Q. Yes. [193] A. Yes, sir.

Q. What is that in defendants' structure?

A. It shows a cylindrical rod which comes in contact with the last washer, the projectile case, and the parachute is wrapped around it, and it supports the washer, the closing washer.

Q. Is there a detachable closure member yieldingly forced in the open end of the shell and engaging the paper washer? A. Yes, sir.

Q. Defendants' structure employs a relatively short cartridge case as compared to the projectile shell, does it not? A. Yes, sir.

(Testimony of Herbert C. Clauser.)

Q. And there is a firing cap in the base of the cartridge case? A. Yes, sir.

Q. Will you explain where that is? Is that the firing cap that is indicated as such in the drawing that you had drawn?

A. Yes, in that central aperture of the drawing here, and it is red, marked firing cap.

Q. And defendants' structure also includes a propelling charge within the cartridge case?

A. Yes, sir. [194]

* * *

The Court: Doctor, these charges in the projectile case, are they under pressure, in Exhibits 25 and 28?

* * *

The Witness: It is packed in there rigidly.

The Court: Not under pressure? [196]

The Witness: No. Rigidly. The system must be rigid so as to keep it from mutilating itself.

The Court: The flare is sealed at the open end?

The Witness: That's right.

The Court: I suppose it is to waterproof?

The Witness: It is to waterproof primarily, and to hold it rigid.

The Court: But not to maintain any vacuum?

The Witness: No, sir.

* * *

The Court: Doctor, when you referred to pressure being exerted to produce a smaller burning section or smaller flare, do you mean pressure in the manufacture or pressure in the shell itself?

(Testimony of Herbert C. Clauser.)

The Witness: Pressure in the manufacture. That is, the casing which contains or holds it is put down in a mold for reinforcement and then the powder is put in there and then the mechanical pressure is brought to bear on it.

The Court: To press that composition of the powder, whatever it is——

The Witness: Whatever it is, but it is supported with a good, heavy mold or metal wall. [197]

The Court: That is called fire clay?

The Witness: Fire clay is put on the end as a stopper then. Fire clay is put on the end. That is where it comes in contact with the wire that is to keep the wire from melting off. [198]

* * *

The Court: How far below the parachute is the flare suspended while it is burning?

The Witness: Approximately three or four feet, your Honor, with shroud lines, lines fastened here and there, and then bringing them together to a focus and putting a wire at the bottom to keep that from burning the shroud lines. So that if it does fall or comes in contact with a flame, or the flare gets too close to the end, so it won't burn off.

The Court: The portion of the parachute which keeps it suspended in the air, what do you call, the canopy?

The Witness: That is the canopy of the parachute. That is correct, sir.

The Court: And the flare is suspended some three or four feet below the apex of the canopy?

(Testimony of Herbert C. Clauser.)

The Witness: That is right.

The Court: Or the crown of the canopy? [200]

The Witness: That is right; and fastened with a wire to avoid burning off of the attachment. [201]

* * *

Q. (By Mr. Schmieding): Dr. Clauser, will you please refer to the patent again, the patent? Fig. 2 shows a radial flange 27a on the base of the cartridge case and Fig. 4 shows a cartridge case in which there is an annular groove. Do you see that?

A. Yes, sir.

Q. Do you know whether or not this is interchangeable practice in the ammunition field, guns?

A. It is, yes, sir. [207]

* * *

Q. (By Mr. Schmieding): I show you a catalog and ask it be marked for identification as Plaintiff's Exhibit 31, catalog of the Kilgore Manufacturing Company, and ask you if that is a catalog produced by the plaintiff? A. Yes, sir.

Q. I refer to pages 15 and 16 in that catalog, and ask you whether the flare described on those pages is the same as the flare Plaintiff's Exhibit No. 7? A. Identically the same. [210]

Mr. Schmieding: I would like to offer that catalog into evidence as Plaintiff's Exhibit No. 31.

The Court: Is there objection? Received into evidence. Exhibit 31 for identification is received into evidence. [211]

* * *

Q. Give the same brilliance, is that correct?

(Testimony of Herbert C. Clauser.)

A. Somewhat. The same amount of brilliance? It would not necessarily follow that you would have the same amount of brilliance when you use a variation in your method of burning. It would all burn, but the matter of brilliance is a horse of a different color, that is, to say that the brilliance in all cases would be alike.

Q. There wouldn't be any material difference in the brilliance, would there, if you had the same composition?

A. Say you have it hanging, Mr. Miketta, say it is hanging in a position like that, the flames will be enveloping up along the side. The other will be standing in the reverse position where the flame shoots up and doesn't come [219] in contact with the bottom. It follows—

Q. I am not trying to trap you; I am just trying to get general statements here. In the pyrotechnic art it is customary to use relatively slow-burning powders to act as propellants, is it not?

A. Propellants, generally speaking, are black powder in some form or another. [220]

* * *

Q. (By Mr. Miketta): But is it not a fact, and do not the publications actually show, Dr. Clauser, that parachute type flares were shot from the Very and Webley-Scott pistols to heights of 200 to 400 feet? A. The Very star parachutes?

Q. I am talking about parachute types.

A. No, sir. I have never come across that, not with a parachute, no, sir.

(Testimony of Herbert C. Clauser.)

Q. Do you doubt that they were shot that high?

A. If they were shot, I would be surprised if you would also tell me that many of them did not work very well, because that was the headache. That is why we were called upon for something to take its place. That was all the trouble of the Army. It was then Army materiel, and I recall after World War I there was a million dollars worth of that materiel that was dumped into the Atlantic Ocean because of its failure to function.

Mr. Miketta: I did not get the first part of the answer. [222] May I have the reporter read it?

(First part of answer read by the reporter.)

Mr. Miketta: Thank you very much.

Q. When you are talking about a parachute flare, one of the characteristics of the candle or flare itself is the necessity that it hang together during the burning and not fall apart, isn't that correct?

A. That is correct, sir. [223]

* * *

Q. (By Mr. Miketta): Is it not a fact, Dr. Clauser, that back in 1929 people had described the use of a one-piece projectile case or shell, and I am talking about the patent in suit?

A. It refers to one-piece cartridge cases, but I have never run across any of the literature where it has referred to other—you say don't it refer—I have never come across any literature or in my experience where a one-piece projectile case was

(Testimony of Herbert C. Clauser.)

used at that time, not of that diameter, 37 millimeter. [226]

* * *

Mr. Miketta: Some of the testimony seems to be that they [227] are departing from that position, your Honor.

Mr. Schmieding: Some of these elements are old, your Honor.

The Court: All of them are old, aren't they, in the art? Aren't they?

Mr. Schmieding: All of them are old in the art, your Honor, but there are changes in these elements also.

The Court: All you are claiming here, as I understand it, is an invention in the case which houses the projectile, is that correct?

Mr. Schmieding: No.

The Court: And the case which combines with the case, I presume, which houses the cartridge?

Mr. Schmieding: Fuses are old, that is true.

The Court: As I understand, there was no claim of infringement over duplication of the inner contents of the flare.

Mr. Schmieding: Well, I am afraid I misunderstood it the other way. There are some new features in some of these old elements, slightly different shapes, that produce——

The Court: I am referring to the contents of the shells.

Mr. Schmieding: Yes.

The Court: Is there any issue here over the

(Testimony of Herbert C. Clauser.)

contents of the shells, either shell, that is, the cartridge shell or the projectile shell?

Mr. Schmieding: Yes. Not in the cartridge shell. There [228] is in the projectile shell. There are old elements just the same as there are old street-cars—— [229]

* * *

The Court: And this combination, it might produce a different result or a better result, but I am not asking you that.

Mr. Schmieding: That is true, that is true. And this combination where it is so shaped and so surrounded by powder and so encased in this wooden ring, that is all new.

The Court: But the elements are all old.

Mr. Schmieding: Each element is old. You will find an eyelet without a reinforcing element for the explosion that takes place, to take care of the explosion that takes place. You will find some kind of ring, but it is entirely different than the function that is performed by this particular ring in this case.

The Court: I was probably confusing your position with counsel for the defendant's opening statement. Defendant made the statement, as I understand it, that there was nothing in controversy here except the case.

Mr. Schmieding: Perhaps my statement was slightly broad, your Honor. I did not mean by that——

The Court: Mr. Miketta showed me that chart

(Testimony of Herbert C. Clauser.)

with the window shades on it, where you put one down, put one shade down and the other one up. Where is that, Mr. Miketta? [230]

Mr. Miketta: Here it is.

The Court: It was marked here. But, as I understood from his opening statement, the only thing that was in issue was the shell.

Mr. Schmieding: Now, that combination that is shown in that reference is not a projectile shell. It is a cartridge case which would function entirely differently than this projectile case with that fuse. The cartridge and projectile are altogether different.

The Court: I understand they are two different shells.

Mr. Schmieding: Yes.

The Court: But what I understood from his statement was that it was the containers and not the contents that were in issue, not the arrangement of the contents that were in issue here. Now, as I understand it, the entire mechanism is in issue here.

Mr. Schmieding: That is right, your Honor.

The Court: That is, not only the cartridge shell, the projectile shell, but the contents of both and the arrangement of them.

Mr. Schmieding: Yes. As your Honor stated at the pre-trial hearing, it is the claims that define the invention, and that is all that we are promoting here or insisting upon.

The Court: Well, I try not to get myself engrossed in the claims until I hear the evidence and

(Testimony of Herbert C. Clauser.)

understand the devices. [231] I do not like to get bogged down in language.

Mr. Miketta: May I ask at this time wherein in any of the claims in the patent in suit is there any reference to a tapered nipple or eyelet?

Mr. Schmieding: The claim calls for an eyelet having a reduced inner end.

Mr. Miketta: Which claim?

Mr. Schmieding: Claims 1, 2, 3.

Mr. Miketta: It does not say "a tapered end."

Mr. Schmieding: No, it does not say "a tapered end."

Mr. Miketta: Or "a dome-shaped end."

Mr. Schmieding: But you always interpret the language of the claims in view of the disclosure.

The Court: In claim 2 it is referred to as "an eyelet having a reduced inner end."

Mr. Schmieding: Yes, sir. What is meant by that is shown in the patent, your Honor.

The Court: Let us not get into any argument. I was attempting to shorten the matter. I do not want to interrupt you. Go ahead with your cross-examination.

Mr. Miketta: May I read this one admission from Exhibit G?

"That Louis L. Driggs, Jr., one of the alleged inventors of Patent No. 1,947,834 in suit herein, testified under oath in the case of the Kilgore Mfg. [232] Co., et al., v. Triumph Explosives, Inc., et al., in which case Patent No. 1,947,834 was in issue, as follows:

(Testimony of Herbert C. Clauser.)

“ ‘The Court: There is nothing new, is there, in the arrangement of the contents of the projectile? That is to say, this method of arranging the powder and connecting fuses and protecting certain parts by the felt washer and including a parachute and all that, is there anything new in that?’ ”

“ ‘The Witness: Not in the projectile itself, no, basically.’ ”

And similarly, there were other questions as to the contents, and even the inventor himself admitted there was no invention in the arrangement of the patent. I cannot see how counsel in this case, now that the inventor is dead, can now claim invention in the contents, particularly since the admission stated that Driggs had so testified. That is a stipulation upon which we can rely.

Mr. Schmieding: Again, that is a general statement and the man qualified that remark at the last there by saying “basically.”

The Court: Proceed, then, gentlemen. Proceed with your cross-examination.

Q. (By Mr. Miketta): Getting back, then, on this eyelet, Dr. Clauser, as I understand your testimony, this eyelet which [233] is item 4 contains a delay——

The Court: Let us not go over all that, Mr. Miketta, please.

Mr. Miketta: Pardon me.

The Court: I hear it so much I get confused. Don't go over it all. He has already told us all

(Testimony of Herbert C. Clauser.)

about it. Don't ask him anything except something that you think you ought to have in the record for the court of appeals or something you think that I have not heard and you want to be sure that I hear it. But if you ask it over again I get confused.

Mr. Miketta: Well, I probably annoyed your Honor and I am a little annoyed, because I want to bring out the fact that whether it is round or tapered does not make a bit of difference.

The Court: He has already told us why it is tapered, how it acts, why it is tapered to keep the pressure from blowing it out, so to speak, so it won't be premature ignition of the powder in the projectile shell. [234]

* * *

The Court: Dr. Clauser, anything that would stop that fuse from being——

The Witness: It would embody——

The Court: Just a moment, just a moment.

The Witness: It would help, but it would not be fool-proof as it is in this case. [235]

* * *

The Court: The patent speaks for itself. The patent speaks for itself, Mr. Miketta, unless there is some claim by the plaintiff that it does.

Mr. Miketta: I don't know, your Honor. I am just playing it safe. [236]

* * *

A. The answer is obviously yes. If it tumbles—there are times at which it will go strictly vertically,

(Testimony of Herbert C. Clauser.)

and there are other times at which it will tumble, which will be due to a lack of balance in it. I think it is only too obvious. [238]

* * *

Q. I notice that in some of these shells the cartridge is given a little taper. Now, what is the purpose of that taper?

A. The purpose of that taper is so that after the cartridge has been fired the cartridge base is readily ejected.

Q. So that you can withdraw the cartridge from the breech end of the gun?

A. If it is used as a distress signal for an on-coming vessel, a vessel seen at a distance, far away, it follows that people that are out in a raft will not be satisfied with shooting one signal, they would shoot a number of them so as to attract the attention of the other lighter, therefore you must have ease of extraction of that cartridge base, and I would say primarily it is for that. [239]

* * *

Q. And in order to attain that, it wouldn't make a bit of difference whether you made that projectile shell out of [241] one piece or whether you, let us say, screwed a bottom into a tubular shell and made certain that that joint was tight, isn't that correct?

A. That is not correct. That is where the trouble starts. [242]

* * *

But that is the fly in the ointment. It is so diffi-

(Testimony of Herbert C. Clauser.)

cult to do. That is where you get into trouble. When you put another piece on there, you must screw it in, as you say, have a thread on there, and it is a fact that that is done with difficulty. If you want to use a glue or an adhesive, why, that over a period of time will dry, and as it dries it contracts. If you use tar and you put it on there, these signals are thrown into the holds of a ship, or one side of an engine in a plane, and they are stored in hot climates and your tar will melt. It just does not take the place of that bottom there which comes as a result of that one piece of construction. I have stubbed my toes on that all my life.

Q. Dr. Clauser, I am assuming that with all your experience you wouldn't have used glue or some fragile cementing substance between the two, but as a manufacturing expedient you make the things out of one piece because that is the simplest and most economical way of doing it.

A. And the most efficient and the most fool-proof. It is the best way that I have yet run [243] across.

* * *

They had headaches with it.

The Court: By "this item" you are——

The Witness: The one in suit, the one-piece shell, that is, with that particular eyelet in there.

Q. (By Mr. Miketta): What I am driving at, Dr. Clauser, is that in 1929, prior to 1929, they had

(Testimony of Herbert C. Clauser.)

made tubular objects with an integral bottom previously, had they not?

A. Yes. You are referring now to the 25-millimeter parachute signal, aren't you?

Q. That had an integral bottom?

A. Yes. But it was fastened with tar, glue, and what-have-you, and just as soon as they dried, when evaporation took place, none of them would function any more, they had to throw them away. That is where it was necessary for someone to take up the job at that point and find something superior to that.

Q. Dr. Clauser, prior to 1929 you have seen metallic shells made—I am just talking about metallic tubular shells—made of one piece of metal where the bottom and the side walls were all one piece of metal, have you not?

A. Not unless you are talking about cartridge cases. Only in cartridge cases.

Q. Whether you call it a case or shell doesn't make any difference. I am talking about a tubular element, integral bottom. [244]

A. A cartridge case, after all, is the same as our cartridge case on there. When it comes to the side wall, the projectile on there, it is something else. That is the part that flies out, which is identical to a bullet that comes out of a metallic cartridge case.

* * *

Q. Does it make any difference, Doctor, actually,

(Testimony of Herbert C. Clauser.)

whether you call it a cartridge shell, whether it throws out of the gun or whether it stays in the gun ?

A. Yes, Mr. Miketta, it makes a big difference, whether you wanted to take a bullet up in the air, or whether you wanted to carry a parachute up there; a bullet will not [245] require a projectile case to carry it up there, but a parachute will take another part, that is, will require a projectile case to carry it up there so it will not open up until it gets to the place where it is most operative, and it therefore takes another part. In other words, it takes a projectile case plus a cartridge case. [246]

* * *

Redirect Examination

By Mr. Schmieding:

Q. If you use screw threads, Doctor, or if you would weld a base to the projectile, would that increase the weight of the projectile shell?

A. It will increase the weight, yes, sir.

Q. Why would it increase the weight of the projectile?

A. Because of the fact that you must have material, you must have stock at the bottom there that has more surface [250] on the sides so as to get your threads on there, and if you get more stock on there it will increase the weight.

Mr. Schmieding: That is all. [251]

(Testimony of Herbert C. Clauser.)

Recross-Examination

By Mr. Miketta:

* * *

Q. But the upper part of Exhibit 22 is not a reproduction of any Figure actually in the patent?

A. Oh, yes, it is. That is, it is here. These here are changeable, these here two, that is only the upper part of this.

The Court: Are you referring to Figures 1 and 2 of the [252] patent?

The Witness: Yes. That is Figure 1 in the patent as it appears there, and here, your Honor, that is only a part of this flare. This is where you do not have a parachute. This is for the mere shooting a fireworks up there and having a display from burning stars.

The Court: By "this here" you were referring to Figure 2 of the patent?

The Witness: That is the base of Figure 2. Figure 1 for the projectile of the base or 2. These two figures there are two different types of shells. They are interchangeable. [253]

* * *

Thursday, November 2, 1950
10:00 A. M.

Mr. Miketta: May the court please, in order to facilitate your Honor's comprehension of what I am going to talk about on some of the prior art points I have prepared, and would like to file, just an

outline of the various points, this outline including reference under specific headings to the record of this case, including the transcript and the admissions, etc., and the exhibits. Copy of that has been given to counsel.

The Court: Very well, you may file it with the clerk.

Mr. Miketta: Moreover, we have prepared and asked to file a supplemental memorandum of some points, law points, relating to this so-called unfair competition aspect, which points were not as thoroughly covered in our original points and authorities.

The Court: Very well, you may serve and file this also.

Mr. Miketta: They have been served on the other side.

May the court please, we have before us a patent which relates to a very crowded art, and the record shows that parachute type flares are not new and were used in the Very pistols during the first World War, as testified to by Clauser.

There are admissions to the effect that the Very hand gun is very old. That is the admission A-10.

Now, this Very hand gun was a breech loading gadget, just [257] like the guns that are before us now, and the shell used in that Very gun resembled an ordinary cartridge and it resembled the cartridges that we have here before your Honor.

In one of the exhibits, namely, Exhibit F-27, which is the history of military pyrotechnics in the World War—and it is our understanding that

Dr. Clauser knew the gentleman who wrote that and did some work in connection with this publication—and it appears on the last page of our Exhibit F-27, which was published in 1920, a picture of a Very gun and its cartridge.

Here is an enlargement, your Honor, of that plate from Exhibit F-27. It was blown up for the purpose of indicating that when it is enlarged from that very small reproduction which appears in the Exhibit F-27 it will be evident that the shell used in the Very pistol included a short cartridge case and a long projectile case, and that cartridge case has a flange at the bottom which, of course, is necessary in any breech-loading type of gun in order to retain that cartridge.

The shells were 35 millimeters in diameter and that means 1.4 inches in diameter, which is very close to the actual diameter of the shells now before your Honor, which I think are 1.45 or some such figure in inches. [258]

* * *

Parachute flares are shown in a large number of exhibits, F-1, F-2, all of those that are listed at the bottom of page 1 of the outline, and I would like to have your Honor look, for example, at this time at the patent Exhibit F-18, which is another patent procured by Messrs. Driggs and Faber, and under which the plaintiff operated. This particular patent expired in September of 1947.

The Court: I have it before me.

Mr. Miketta: Your Honor will note that that particular patent included a cartridge, which is the lowermost portion identified by the letter A in

Figure 1, and that cartridge was not provided with a flange, but with an annular groove, so that it could be used in a muzzle-loading gun. It had a primer or firing cap in the bottom of that cartridge, as is the case here. Now, fitting into that was a projectile shell, and that projectile shell is of a peculiar shape in that it fits snugly—the bottom portion of it fits snugly, as I am illustrating on the blackboard, and then goes out and [260] becomes a little larger at the top. So that there was more space available in this projectile case for the flare and parachute.

The bottom of this was heavier, as your Honor will note, and in that heavy bottom there was a nipple or fuse tube, which is identified by the letter E and E'. That containing the delay fuse and it has some holes in the side so as to permit the so-called spit, as Dr. Clauser referred to it, to ignite the powder or eject charge which surrounds it, in exactly the same relation as we have in our flares.

Above that they had the flare, I had better use red for that, the flare candle, and the parachute, and they had the upper seal, which closed the upper end. And you will note, your Honor, that in this patent they even included the stick or rod M in Figure 1, which is referred to in line 93 of the patent as the rod, whose function is as stated in the patent, "To prevent the unnecessary crushing of the parachute when the flare and parachute are ejected." That is the same function, of course, that we have now.

The charge here in the bottom of the cartridge was for the purpose of projecting the projectile to the necessary height. The fuse was to prevent the ejection charge in the bottom of the projectile case from going off until it reached the necessary height, and then that went off and the parachute and its flare were discharged. [261]

Now, I haven't shown them here, but we have certain gas checks, one between the parachute and the flare, which is identified in this patent by the letter J. We also have a gas check between the candle or flare itself and the ejection charge. That is indicated by the letter D. In this instance that wad or gas check, as they call it, is spaced somewhat from the bottom of the candle itself, but the candle, incidentally, has a bottom layer which they call the priming composition layer, that is stated on page 1, lines 80 to 82 of the patent, in exactly the same way that defendant and plaintiff use it, and it also includes a cable or shroud line, which is wound around the top or over the candle itself as clearly shown there just to the left of J in Figure 1, and then that cable extends around that gas check and connects with the parachute. Does your Honor see that cable?

The Court: Yes, I follow it.

Mr. Miketta: Now, if your Honor will just follow the hatch lines which show the cross-section of this projectile case from its bottom portion upwardly around the corner, your Honor will note that is all in one hatch line, indicating that that is made of one piece of material.

As far as material is concerned, these prior workers had described in expired patents the use of aluminum and various other materials. In this exhibit, F-18, [262] your Honor will note that on page 1, lines 56 to 57, it is stated that the container—they call it the container here—may be made of fiber or cardboard or even light metal if so desired.

So that we have a disclosure that light metal can be used.

As a matter of fact, on page 2 of the same patent in the second column, starting at about line 76, they talk about the desirability of making the parts as light as practical, so that there is less energy required in ejecting the container, less shock and recoil to the entire operation. At another point, which is the bottom of the first column on page 2, they say that the container should be light so that when it falls from say, 150 feet, or whatever height this projectile was sent to, it will not endanger persons or property there beneath, in exactly the same manner that Dr. Clauser referred to the container.

So here we have, your Honor, an expired patent showing, in my estimation, practically, if not all, of the elements as being old and in the same relationship.

One-piece shells are definitely old. I think even Dr. Clauser admitted it, and there is reference to the record at the top of page 2 of this outline.

* * *

Mr. Miketta: Exhibit K-2, I think, crystallizes

the issue very well, because, first of all, we have the pictorial representation of the projectile case, as it appears in the patent in Figure 1. Now we have, in addition, taken the cartridge, which is part of Figure 2 of the patent, and placed it immediately below, so as to show the relationship between these two. [264]

Now, there are admissions of record which I will call your Honor's attention to and would like to read in detail, which show that there is no invention to the arrangement of the contents, and in view of the expired patent F-18, which was filed more than two years before the patent in suit was filed, I do not see how anyone can contend that there is any invention in that arrangement.

So we can eliminate reference to the contents and simply look at the shells and the cartridge. As a matter of fact, the first three or four claims in suit have no reference whatsoever to the cartridge. They only talk about the shells.

Now, that is nothing but a single piece of tubular member with an integral bottom, or with this little eyelet or delayed fuse stuck in it with the shoulders of that delayed fuse resting against the bottom.

Your Honor has noticed that some of the cartridges and some of the shells have one shaped end and others have a different shaped end, whether there is a flange on it or whether there is an annular ring in it is just an adaptation.

We have this Powers patent, Exhibit F-3, on the other side of this tablet, Exhibit K-2, so that your Honor can visually compare. That is simply an

enlargement of Figure 1 of that patent. And Powers says in his own patent that that is a one-piece shell. [265]

* * *

Exhibit F-18, that one that we have been looking at, states that that container can be made of light metal. Well, of course, we all know that aluminum is a light metal.

But Exhibit F-16, which is another one of these patents, not cited by the Patent Office, now expired, still obtained by Driggs and Faber, definitely states that it can be made of aluminum; and that is on page 2, lines 30 to 32 of Exhibit F-16.

Exhibit F-17, which is another Driggs and Faber patent that the plaintiff operated under, and now expired, points [268] out that it is not necessary to make this container of the projectile shell of a different diameter. It can be of a uniform diameter. And in this exhibit that we have last referred to, Exhibit F-17, they had another formation in that the so-called cartridge case was practically as long or as long as the container. Now, that arrangement is shown and described in Exhibit F-17.

* * *

Exhibit F-21, your Honor, may be of interest to your Honor—another patent that was not cited by the Patent Office. F-21 is the British patent issued way back in 1869 and it talks about one-piece shells.

I would like to have your Honor look at the last page of the drawings, and particularly Figure 4 which appears in the upper right-hand corner. This

gentleman in this patent describes how to make a one-piece shell having thin sidewalls and a heavier base, and certainly such sort of a shell is shown in Figure 4. Then you subject that base, if you want to, to various other molding or pressing operations and put a hole in it or put a flange on it or do whatever you want to. [269]

* * *

There is no invention in the wooden disk or annular disk that they talk about, because there is an admission in this case to that effect. As a matter of fact, that is admission "B" (13) on page 4 of Exhibit G, wherein it was stated:

"That prior to the earliest date of invention by Driggs and Faber of that which is described and claimed in the claims"——

Claims so and so——

"there was described in printed publications and known to others——

"(a)—parachute type flares including a projectile case, an annular, wooden disk partially surrounding the expulsion charge near one end of such [270] case, a flare, a parachute, a wire or string connecting the parachute to the flare and a washer or gas check between the parachute and the flare;"——

Now, the answer reads as follows:

"Plaintiff admits that prior to the earliest date of invention by Driggs and Faber, there was described in printed publications and known to others a parachute type flare includ-

ing a projectile shell, an annular, wooden disk partially surrounding the expulsion charge near one end of the shell, a flare, a parachute, a wire or string connecting the parachute to the flare and a washer or gas check between the parachute and the flare. [271]

* * *

That plaintiff has actually disclaimed any novelty in the contents is clearly shown by admissions A-1, A-2, A-9, and D-6. They appear on pages 1, 2 and 3 of Exhibit G. Has your Honor read that?

The Court: Yes.

Mr. Miketta: The next point that I would like to call your Honor's attention to is there is no novelty in a short cartridge case and longer projectile case.

Of course that is now shown on Exhibit K-1, and it has been admitted in a number of admissions that are listed here on the bottom of page 3 of my outline, and that is clearly shown in Exhibits F-5, F-6, F-13 and F-14, none of which, your Honor, were considered by the Patent Office, to the best of my recollection. [272]

* * *

The use of seals, gas checks, washers, or wads, as they called them in the old days, well, that is customary practice and is shown by all these patents.

* * *

It is our contention, your Honor, that a man skilled in the art had available before him in 1929,

more than two years before this patent was filed, all the information that you needed to build a parachute flare. Flare compositions were well known. That is the record, page 217.

The weight and balance relationships were known and derivable from the laws of physics. The necessary size of parachutes was known. The effective value of propellants was known. And certainly they knew the strength of materials and how to draw them, and the fact that you could make a case or anything you wanted to out of one piece of metal.

* * *

Moreover, the claims, or many of them, are invalid for an aggregation. In claims 12, 13, 14, 18, 19, 20, 21, 22 and 23 they actually include "a firing implement" or the barrel of a firing implement, as an element of their so-called combination.

* * *

Mr. Miketta: They are not asserted by the plaintiff, your Honor, but I am referring to them because in our action for declaratory judgment we would like to have the whole thing thrown out and get rid of it, so they don't bother us again.

* * *

Here they take an old gun and try to claim that old gun or gun barrel in combination with their so-called new elements. [279]

* * *

The Court: You say you do not infringe claims 7 and 8 because there is no metallic closure.

Mr. Miketta: Open end, that is right, your Honor.

The Court: Do you think the use of cardboard or fiber [285] would avoid infringement?

Mr. Miketta: Well, there are other limitations in that claim, your Honor. Now, remember, in claim 7 you do not have reference to this particular type of eyelet. You will notice that they have eliminated all that if that is their invention, that element does not appear in claims 7 to 11, and in view of their admission that there is no invention in the arrangement of the contents, how can your Honor even give that any scope. Naturally, if it is not used, you cannot give it any scope. [286]

* * *

The Court: Is the evidence closed, gentlemen? What has been done this morning is largely argument.

Mr. Miketta: It was, but it was my method of presenting the prior art, and I think that is the most important thing before your Honor, as far as we are concerned. [298]

* * *

The Court: With the exception of that is the evidence closed? [299]

Mr. Schmieding: Except that I would like to have Mr. Clauser explain some of those prior art patents that were introduced and discussed by Mr. Miketta this morning.

The Court: Very well. This is by way of rebuttal now?

Mr. Schmieding: By way of rebuttal:

HERBERT C. CLAUSER

called as a witness by the plaintiff, in rebuttal, having been previously sworn, was examined and testified as follows:

Direct Examination

By Mr. Schmieding:

Q. Dr. Clauser, I refer you to Defendants' Exhibit F-3, which is the Powers patent, No. 116,094. You heard what Mr. Miketta had to say about that patent; do you agree with what he said?

A. No, I do not.

Mr. Miketta: Pardon me, your Honor. I think the testimony of this witness should be directed to the patents themselves, in order to expedite procedure.

The Court: Are you referring to the Powers patent?

Mr. Schmieding: Yes.

The Court: That is Exhibit F-3.

Mr. Schmieding: F-3.

The Court: What do you wish Dr. Clauser to tell us about [300] that now?

Mr. Schmieding: Dr. Clauser would like to explain that the Powers patent is directed to a cartridge case and as it is constructed, as shown in that drawing, it is impractical as a projectile shell: He would also like to show——

The Court: It was not suggested, as I understood it, by the defendant that this cartridge case was a projectile shell, but merely to indicate the

(Testimony of Herbert C. Clauser.)

type of construction, all from one piece of metal, was old in the art, that is the way I understood it, with making an eyelet in the base and having a shoulder on the base.

Mr. Schmieding: That is as far as we think that patent can be construed, as merely showing a one-piece construction having a base and cylindrical side walls.

The Court: Did the defendant claim anything more for it?

Mr. Miketta: No, your Honor, we admit that there is a little flange at the bottom of the case shown by Powers, if that is their point. I think this is all argumentative. It doesn't require testimony. The patent speaks for itself, anyway.

Mr. Schmieding: Our point is, your Honor, if that same construction was used as a projectile shell it could not function, because the fuse operates entirely differently than [301] an explosive cap.

The Court: In view——

Mr. Schmieding: If the back of that cartridge case were subjected to the explosion to which the back of a projectile case was subjected, there would be a complete rupture of the projectile shell, and there would be a pre-ignition of the powder charge in the projectile shell.

The Court: As I understood it, it was merely suggested here that the Powers patent, Exhibit F-3, shows, as I have said before, the construction of a shell out of a single piece of metal with an aperture

(Testimony of Herbert C. Clauser.)

in the base for an eyelet, I assume it is called, with a shoulder or flange at the base.

Mr. Schmieding: That's true.

The Court: I understand the defendant doesn't offer it for anything more than that.

Mr. Miketta: Not for any more than it shows, your Honor. And may it be noted that claims 1 and 2 do not state what is in that eyelet, just the metallic structure that is claimed in 1 and 2.

The Court: You mean claims 1 and 2 of the patent in suit?

Mr. Miketta: Of the patent in suit, yes, your Honor.

The Court: Did you have any other questions you wished to ask Dr. Clauser?

Q. (By Mr. Schmieding): Dr. Clauser, I call your [302] attention to Defendant's Exhibit F-18, which is the Driggs, et al., patent, No. 1,776,755. Does that patent disclose a one-piece projectile having a integral base and side walls?

A. That does not. That is not a one-piece shell. That is not a one-piece projectile case. There is a stem to that, it is a larger flare and there is a stem at the bottom of about two inches with reduced size.

The Court: Is that stem an integral part of the walls of the case or the base?

The Witness: It is not. That cannot be drawn as such, as it is here today. That cannot be drawn, and it is a two-piece structure and it is connected, that stem is connected, your Honor, that is, structurally connected, mechanically connected, to that

(Testimony of Herbert C. Clauser.)

projectile case, and that larger bore extension. A construction like that, if I am repeating I apologize, cannot be drawn successfully today out of aluminum.

* * *

A. Yes, I want to add this for the court's pleasure: It is an aerial shell, this is not a shell that is intended to be shot from the ground into space, like Mr. Miketta says, it can be shot up in the air. It is just the reverse. It is [303] shot down. It is shot out from a plane. This is an aerial signal. It can be shot from the ground, but is not intended for that. We have to answer the question specifically. The United States Army, in the Aviation of the United States Army that is one of the shells that they buy, and we have manufactured them for them for years, and during the war, and I should like to point out that the purpose of this shell is for reconnoitering purposes, it is for landing before they liberate the big flare. This flare here, your Honor, will burn for a whole minute. It has a terrific light intensity, and approaches 100,000 candlepower. It is to use primarily for the scouting planes to locate a terrain on which it will be possible to land, and then they put out larger flares.

* * *

Q. (By Mr. Schmieding): At any time did Kilgore manufacture that particular flare to which you are testifying out of one piece of drawn aluminum?

(Testimony of Herbert C. Clauser.)

A. No, sir. They are connected. The cartridge case at the bottom is one piece, which corresponds to the cartridge case in the other items, but this is definitely two-piece construction, the projectile case. [304]

Q. Dr. Clauser, I wish to call your attention——

The Witness: Pardon me. In the patent——

The Court: Which patent?

The Witness: Patent 1,776,755, Driggs, Jr., et al.

The Court: Exhibit F-18 here.

The Witness: I don't have the exhibit number on mine.

The Court: Very well. What were you about to say?

The Witness: I want to point attention, in support of my statement, to Paragraph 3, where it refers to "this container B has reduced hollow stem b"——

The Court: That is in the second column, beginning at line 62?

The Witness: Beginning line 62. As you will read, you will find when you get to 65 it says,

"connected to the stem b by the annular shoulder * * * ."

It says "connected." I apologize, but I wanted to call that to your Honor's attention.

The Court: Yes. Do you have any further questions of the doctor?

Mr. Schmieding: Just one more question.

Q. (By Mr. Schmieding): Dr. Clauser, do you

(Testimony of Herbert C. Clauser.)

find all of the elements called for in the claims in suit in the defendants' structure? [305]

A. Yes, sir.

Mr. Miketta: That is obviously calling for a conclusion and opinion of this witness, your Honor.

Mr. Hann: We can go into it element by element, if you want to take up the time.

The Court: Do you wish him to spell it out?

Mr. Miketta: No, your Honor.

The Court: It is a matter of argument.

Mr. Miketta: I think it would take up too much time.

Mr. Hann: We can go into it element by element, but I see no purpose in that.

Mr. Schmieding: That was the intention of asking the question in that way, to save time.

The Court: Counsel has withdrawn his objection, as I understand it.

Mr. Miketta: Yes.

Mr. Schmieding: Those are all the questions I have.

Mr. Miketta: Just one question. [306]

* * *

Mr. Schmieding: In the present case we have a new projectile case in combination with some old elements that produce a result never attained before. [314]

* * *

The Court: Well, in accomplishing this result we are [315] bearing in mind all the time, is it your contention that the scope of this patent in

suit is such that no one, in order to accomplish the same result, can use a one-piece projectile case?

Mr. Schmieding: Yes, that is what I maintain. That is what the Patent Office recognized as the invention here.

The Court: What if they used two pieces and welded them together?

Mr. Schmieding: If you used two pieces and weld them together? As Dr. Clauser testified, you would require such amount of heavy material here at the junction of the base and the shell which would require a heavier casing, with the result that it could not be elevated to the same extent, unless a larger charge of powder were used. And if it was elevated to that extent, it would be very dangerous if it dropped and hit someone. That is one of the reasons they made them out of cardboard. [316]

* * *

The Court: Would the projectile function at all without the cartridge case?

Mr. Schmieding: It would not function at all without the cartridge case, unless some other means were provided for igniting the fuse.

I think that is also disclosed in the patent where they have a hand scratcher.

The Court: That wouldn't achieve the result which is [330] claimed?

Mr. Schmieding: No, it would not achieve the same result.

The Court: All right. Then in order to find a combination which achieves the results for which the invention is claimed, we must move from claim

4 over to some claim that combines the cartridge case, must we not?

Mr. Schmieding: To achieve the same result?

The Court: In order to achieve the result?

Mr. Schmieding: To achieve the result there must be a cartridge case, that is true.

The Court: That is part of the combination, essential part of the combination, isn't it?

Mr. Schmieding: That is part of the combination.

The Court: Because this projectile case is an improvement for the intended purposes only because it is built to withstand the shock or force that will push it to an altitude of 150 feet as a minimum?

Mr. Schmieding: That's true. [331]

* * *

The Court: So in order to produce a combination that will achieve a better result than was achieved in the prior art of flares, must not you have the cartridge case as a part, an essential part, of that combination. So that, if you please, if a person wanted to copy this device without using the cartridge case, he could not be said to infringe?

Mr. Schmieding: Yes. But the law goes further than that, you Honor. The manufacturer of that device could contribute to infringement by selling this to the manufacturer of the completed shell.

The Court: Oh, that is a different matter now. I am talking about a different application, a different use of the devise, a different combination, if you please.

Now, a contributory infringer who manufactures

the projectiles with the specific intent that it be combined with [339] the cartridge case, then he is in fact the left hand or the right hand of the infringer, so to speak, isn't he?

Mr. Schmieding: That is true.

The Court: And he is *particeps criminis* or certainly a joint tort feisor—more accurately a joint tort feisor—and the law holds him liable because he is, in cooperation with someone else, an infringer. But the man who manufactured the projectile case for the 4th of July fireworks would not be an infringer, would he?

Mr. Schmieding: Yes, I would say he was, your Honor.

The Court: You are claiming a broader invention than the prior art could possibly justify, aren't you?

Mr. Schmieding: He makes it possible for someone to infringe by making a combination as claimed in claim 4.

The Court: It is not the possibility, it is wilful tort. Infringement and contributory infringement are wilful torts, aren't they?

Mr. Schmieding: I never heard of it, but that sounds very sound to me, yes.

The Court: It must be intended. If someone were manufacturing a single-shell projectile with contents identical to your client's for 4th of July celebrations and that was the only use to which they were put, could you claim infringement of this patent?

Mr. Schmieding: I think I would. [340]

The Court: I know you probably would, but I mean could you reasonably do so?

Mr. Schmieding: I think you could.

The Court: Patentees always proceed upon the assumption that it doesn't cost any more to claim, but would there be any reasonable basis if you went into court and said: "Why, this man is infringing." Would not the court say, "Well, where is your invention? What is the invention [341] here?"

* * *

The Court: And I would say it would be the most narrow of those claims that could be sustained, the most definite and most narrow. [348]

* * *

Friday, November 3, 1950—9:30 A.M.

We feel that claims 8 and 11 define the invention in its narrowest aspects. There is some difference between claims 8 and 11. Claim 11 includes the stick which prevents the collapse of the parachute.

I would like to point out——

The Court: Does 8 contain that?

Mr. Schmieding: No. 8 does not contain the thrust member of the stick which prevents the collapsing of the [350] parachute.

The Court: 11 does?

Mr. Schmieding: That's right. Claim 11 was rejected by the Patent Office, and then after the word "integral" was inserted in line 64, so as to define the one-piece structure, it was allowed.

The Court: What about claim 10?

Mr. Schmieding: Claim 10—well, claim 11 is the

same as claim 10, but claim 11 has the extra element, namely, the detachable closure means for the shell, which in plaintiff's and defendants' structure are the cork ends.

The Court: Is that omitted in claim 10?

Mr. Schmieding: The detachable closure means is omitted in claim 10.

The Court: Then is it your view that the combination is not complete as described in claim 10?

Mr. Schmieding: Yes, I think the combination is complete in claim 10. The means in claim 10 for preventing the collapse of the parachute, of course, would include the end wall of the flare. [351]

* * *

The Court: What does that mean, make the cartridge case or the gun barrel?

Mr. Schmieding: That means it constitutes part of the gun barrel. When it is put inside of the breech of the gun the cartridge case really provides the sidewalls for the rear end of the projectile case. I believe the claim is more applicable to such constructions as shown in Fig. 4 of the patent in suit, in which the cartridge case is co-extensive with the projectile case. [352]

* * *

The Court: What about claim 7?

Mr. Schmieding: Claim 7 is exactly like claim 8 except it omits the last limitation, which is "means on said base of the cartridge case for positioning said shell and case in a fire implement." That refers to that shoulder 27a on the extreme rear end of the cartridge case.

The Court: It is your view, then, as I understand it, that claims 8 and 11 more accurately and more completely describe the device in controversy here than any other of the claims?

Mr. Schmieding: Yes. Of course, I am not excluding claim 10. That is not limited to the detachable closure means. But I think that is immaterial at the present time because defendant also uses a detachable closure means at the end of his flare or his projectile case. In other words, I believe that claims 7 to 11, inclusive, are valid, but I think we can reduce the issues to perhaps claims 8, 10, and 11, excluding claims 7 and 9 and the first five claims.

The Court: In other words, your position, I take it, in summary, is that claims 7, 8, 9, 10 and 11 are valid claims?

Mr. Schmieding: Yes.

The Court: But that there may be some doubt as to infringement of claims other than 8 and 11?

Mr. Schmieding: No, I believe each of these claims [353] is infringed, but as I understood your Honor yesterday, we wanted to limit the issue as nearly as we could, therefore, we chose to base our case on claims 8, 10, and 11. [354]

The Court: If the scope of the claims were limited to the precise combination described, would there be any infringement of claims 7 and 9?

Mr. Schmieding: I didn't quite understand your question.

The Court: Does the defendant infringe claims 7 or 9 if limited to the precise combination described?

Mr. Schmieding: Yes, the word "metallic" is in claim 7; a detachable metallic closure.

The Court: It is also in claim 8, isn't it?

Mr. Schmieding: And in claim 8. And in claim 9, 10, and 11 we find the definition of an annular groove, and our position is that the flange and the annular groove are recognized equivalents in the art.

The same about "metallic" in claims 7 and 8. The idea was to close the end of that case by some means to prevent the ingress of moisture laden air or water. [355]

* * *

The Court: We get down to this patent in suit, and the plaintiff claims a combination of entirely old elements in a way so as to produce a new result. Let's take it from the basis of the combination described in their claims 8, 10 and 11, which Mr. Schmieding mentioned this morning. Let me put it this way: the combination appears to be useful and new as a combination in this field. Would you concede those two elements?

Mr. Miketta: No, your Honor, and I will get to the answer to your question, but let me first call your attention to this: We are talking about a new element in this discussion, and I think that is a wrong approach, and perhaps that language is confusing.

The Court: I am not considering any new elements; I am considering old elements in a new combination. [367]

* * *

The Court: There is no question but what this is a better device than anything that had been used theretofore? Is there any question about that?

Mr. Miketta: It is a better device because they made this out of one piece.

The Court: Yes, and the defendant has paid it the tribute of copying it.

Mr. Miketta: Certainly, any mechanic would know that.

The Court: Now, there is a question. Now, let's get down to a fine point. There was a storage battery before Ray-O-Vac, it worked; what did the patentee do there?

Mr. Miketta: He did not make an old element that formerly was made in two pieces out of one piece, your Honor; and that is your specific problem here.

The Court: He took some old elements and put them in a new combination, didn't he, and what was the new combination?

Mr. Miketta: Let's stick to the facts of this case, your Honor. Here we have an old projectile case made out of two pieces, and these people came along and made it out of one piece.

The Court: All right. Now, will you distinguish that for me, show me why that is not analogous to what was done in the battery case, [368] Ray-O-Vac?

* * *

The Court: Mr. Miketta, is it your belief from the evidence here that the court should find that flares taught in the prior art can be shot at sea just

as effectively and can be seen just s well with the same results as with this new metallic cartridge?

Mr. Miketta: Yes, your Honor.

The Court: Is there anything here to show that? Isn't all the testimony to the contrary?

Mr. Miketta: Has your Honor any evidence to show——

The Court: Dr. Clauser testified that——

Mr. Miketta: I have read his testimony very carefully, your Honor, and I don't find that. He is a witness that has been with the plaintiff for a long time, yes, but why didn't they produce some tests, your Honor? Why didn't they show it? What is good proof? What is evidence? Suppose it is cheaper, your Honor, does that make it an invention, just because it is cheaper? I would say not. There must be a new relationship between the elements, a new mode of operation.

The Court: There is no suggestion here that a more economical method is necessarily involved in this.

Mr. Miketta: As far as shooting it up in the air, your Honor, remember the patent in suit says that the principal use [390] is in a shell, which is apparently the kind of a shell that is shot from an airplane. That was developed during the so-called rebuttal yesterday. And the patent in suit does make that statement right there, the principal use is in that form of a cartridge that doesn't have the external flange at the bottom, but the type of cartridge that has the annular groove.

If your Honor wants to check that again, that

appears on page 2 of the patent, lines 18 to 19, where it specifically refers to Figure 4. Figure 4 is the type of shell that is shown in the earlier Driggs and Faber patents.

The Court: Of course, line 20, page 1 says:

“It is a further object to provide such a flare which can be used with a breech-loading pistol, as well as with a muzzle-loading pistol.”

Is there any inference properly to be drawn from the Coast Guard specifications in these matters? Should the court draw the inference that the Coast Guard would specify the best and safest device?

Mr. Miketta: If you only have one manufacturer, your Honor, very probably that manufacturer is highly instrumental in drawing up the government specifications. That is only normal. There may be better devices.

The Court: If this is not the best known to the art, why would competition come along and instead of offering [391] something better just copy what was there? Isn't that tribute itself a compliment?

Mr. Miketta: It isn't a tribute to invention; it is a tribute to commercial success, perhaps.

The Court: Isn't it a compliment, a tribute to the contention or concession to the contention that this represents the most advanced and most improved state of the art?

Mr. Miketta: If we eliminate from our thoughts actual invention, perhaps it is, perhaps it is. Perhaps this is a very fine shell. It must be. It passes

the specifications. The government seems to be happy with it.

The Court: And it must be a better shell or better flare than anything theretofore known to the art.

Mr. Miketta: I wouldn't say that, your Honor.

The Court: Why wouldn't the Coast Guard specify something as an alternative, perhaps, something known in the prior art?

Mr. Miketta: There are reasons. In the first place, they may not have anybody engaged in this business. Plaintiff here may have put everybody else out of business anyway.

The Court: Let's assume anything you wish to with respect to the plaintiff and its methods, the fact still remains that if the Coast Guard said, "We don't want this, what we want is that earlier model," that is what the Coast [392] Guard would get, isn't it? If the Coast Guard said that, moreover, isn't it a fair inference here that not only the government would buy nothing else, but private individuals would buy nothing else? In other words, what the Coast Guard says with respect to this item controls the entire market, doesn't it?

Mr. Miketta: Yes. But remember this. I have been reading the specifications, and they don't say that the projectile case has to be of one piece, they only say that it has to be made of metal, and they don't specify aluminum.

Mr. Schmieding: That is our point. [393]

* * *

That disposes of the first cause of action asserted in the bill of complaint.

As to the cause of action for unfair competition, I find that the defendants have copied the plaintiff's device, not only internally but externally, with a few minor exceptions, both functional and non-functional. [403]

* * *

As to the counterclaim set forth in the Second Amended Answer, the counterclaim for declaratory judgment, is there any occasion, Mr. Miketta, for the court, in view of the judgment ordered here, to declare any further rights and duties of the parties under this patent?

* * *

The Court: Are the defendants doing anything that is likely to infringe those claims? The plaintiff does not claim or contend that defendants are infringing or have infringed any claims other than claims 1, 2, 3, 4, 5, 7, 8, 9, 10, and 11, as I understand it. Is that correct?

Mr. Schmieding: That is right, your Honor. And——

The Court: The court has held that claims 1, 2, 3, 4, and 5 invalid as not constituting invention because, as I read them, they are too broad and do not constitute the complete combination here which is essential to achieve the new and improved result which is achieved by the combination described in claims 7, 8, 9, 10, and 11.

The Court having held valid claims 7, 8, 9, 10, and 11 and having held invalid claims 1, 2, 3, 4, and 5, that would leave claims 6, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 23, would it not? [404]

* * *

The Court: Is there anything the defendants are doing which could conceivably be charged as an infringement of any of these remaining claims?

Mr. Miketta: Yes, your Honor.

The Court: For instance, I notice in some of them there is the use of a thread, several of them.

Mr. Miketta: That is correct.

The Court: There is no thread being used, is there?

Mr. Schmieding: Your Honor, we could not again attack the defendants on this patent. It is *res judicata*. This patent has been in court as to those defendants. We could never at a later date charge infringement of other claims.

Mr. Miketta: Claim 6 was withdrawn, your Honor, on the ground that we do not use that threaded base. But if your Honor has come to the conclusion that we infringe claim 9, for example, then we possibly infringe all of the claims, because claim 9——

The Court: I will hear you on claim 9.

Mr. Miketta: Beg pardon?

The Court: But I could not elicit any discussion in argument about that, so I will hear you on claim 9. [405]

Mr. Miketta: Claim 9 does not include a one-piece case, your Honor. If we infringe that, if that is a valid claim as your Honor has indicated——

The Court: Well, if it does not, I overlooked it. I expect that kind of help from counsel.

Mr. Miketta: I have attempted to give your Honor all the possible help. I have asked to be

given an opportunity of explaining our position and I thought your Honor had listened.

The Court: You did, but I heard nothing before of any suggestion that claim 9 did not include a one-piece shell. I heard no discussion of any of the claims from you in detail after counsel and I had discussed these others. If that is true, a greater burden is upon the plaintiff to tell me that than it was upon you. [406]

* * *

The Court: That is addressed to the issue of infringement, is it not, and not validity?

Mr. Miketta: All right. We are talking about infringement now. Claim 6 is not infringed because of a threaded base and they admitted it by withdrawing that claim, and they withdrew claims 12, 13, 14, and 15 because they included either threads or an annular groove, admitting that that was a material limitation, your Honor. Then I do not see how your Honor can say that that is not a material limitation [407] in claims 10 and 11.

The Court: Well, let me hear from the plaintiff on it. I have not heard that argued yet. I will be glad to hear you.

Mr. Schmieding: We never withdrew these claims because certain of the claims calling for an annular groove——

The Court: What is the difference between whether it has an annular groove or does not have an annular groove?

Mr. Schmieding: None whatever, your Honor.

They are interchangeable. Some ammunition has one, some ammunition has the other. [408]

* * *

Mr. Schmieding: Your Honor, Dr. Clauser testified that there is a signal gun manufactured and used that takes either the annular groove or the flange on the end of the shell.

Mr. Miketta: We are not being sued on a patent on a gun that was made recently.

The Court: No. It is a question of the uses to which this combination is put. It is a certain combination which achieves what I have found to be a new and better result.

Mr. Miketta: Does your Honor consider the stick to be an important element of that combination?

The Court: I do not consider it to be an indispensable element of it.

Mr. Miketta: It does not appear in claims 7 and 8, your Honor. [409]

* * *

Mr. Miketta: I also wish to call your Honor's attention to the fact that claims 8 and 10 do not provide for an end closure for the entire shell, and obviously that is a necessary element or the contents would be exposed.

The Court: Isn't that essentially shown? All the contents would fall out if it wasn't closed.

Mr. Miketta: I don't know where your Honor is drawing the line between essential elements and non-essential. There are no gas checks involved in

either clamps 8 or 10 or 11, and we have been told that they are very necessary for the proper functioning of the device, but those gas checks are not included in those claims.

The Court: Do you have any other distinctions you wish [410] to point out? I wish to hear them all.

Mr. Miketta: Very well, your Honor. There is no end cap, incidentally, in claim 7 mentioned. Claims 9, 10 and 11 all refer to——

The Court: 9 has been held invalid.

Mr. Miketta: Pardon me. There is that missing stick in 7 and also the end closure is missing in that. I have mentioned the missing parachute stick and the missing gas checks, and the missing end closure in claim 8. There are no gas checks and no end closure in claim 10. There are no gas checks in claim 11. Claim 12—shall I continue?

The Court: No, I am speaking about the claims in issue now. All those things are shown in the drawings, are they not?

Mr. Miketta: They are all shown in the drawings of prior patents, your Honor.

The Court: There isn't anything new here except in combination.

Mr. Miketta: The combination is shown in the prior patents.

Mr. Schmieding: May I suggest to your Honor that the remaining claims not in issue here be held valid and not infringed?

The Court: What do you mean by the remaining claims in issue? [411]

Mr. Schmieding: Not in issue. Claims 6 and 12 to 23, inclusive.

The Court: I wouldn't hold them valid unless I heard the arguments against the invalidity, I mean arguments as to their invalidity.

* * *

The Court: What do you think of claims 7 and 8, as to whether they are infringed?

Mr. Schmieding: Surely they are infringed, your Honor. It is not necessary to include every element in a claim. That is the reason we have various claims.

The Court: There has to be enough to work the combination, doesn't there?

Mr. Schmieding: That is true, and anyone skilled in the art knows that there has to be gas checks. [412]

* * *

Mr. Schmieding: And that claims 10 and 11——

The Court: Claims 10 and 11 I hold to be valid and infringed.

As to the remaining claims, I don't perceive any necessity of making any declaration with respect to them, Mr. Miketta.

Mr. Miketta: Except that we had asked for a declaratory judgment as to those claims.

The Court: I know, but is there any reason to do it, is there any reason except that you just want it done? Is there anything in the record that shows that any of these are even remotely connected with the plaintiff's business? Is there any likelihood that the plaintiff has any business reason?

Mr. Miketta: Yes, your Honor.

The Court: Point it out to me. Is there anything in the evidence that shows that he is manufacturing anything that might be said remotely to infringe these remaining claims?

Mr. Miketta: If we infringe claim 10, your Honor, then [414] we probably infringe claim 13 and 14.

The Court: Why?

Mr. Miketta (Continuing): But in those particular claims they have included as a part of their necessary combination a firing implement. I am reading from claim 13 on page 3 of the patent, line 89:

“A firing implement having means for detachably attaching said cartridge case therein,”

The Court: That firing implement is in claim 12.

Mr. Miketta: In claim 12 there is no stick, again, your Honor. [415]

* * *

That disposes of it in the counter-claim. [416]

* * *

Mr. Miketta: Claims 10 and 11 are the only claims now, is that correct?

The Court: Those are the only claims held valid and infringed.

Mr. Miketta: May I have the privilege of petitioning for a rehearing on those two, your Honor?

The Court: It is always in order to move for a new trial under the rules.

Mr. Miketta: I don't think that is necessary,

because the evidence is all before your Honor. It is simply a question of perhaps reviewing the facts of this case and presenting the facts to your Honor so that your Honor is convinced as to the decision that should be reached.

The Court: Fairly construed I think those claims describe the combination and all the essential elements of it with sufficient specificity to enable anyone versed in the art to practice that invention.

If you wish to make a motion for a new trial and point out any errors——

Mr. Miketta: I will consider that, your Honor.

The Court: I will be glad to entertain it. Or if you wish to argue the matter upon objections to the findings, you may present it that way.

Mr. Miketta: That may be the time to [417] do it.

The Court: I will be glad to entertain it. We have it down to fine points now, and perhaps that might enable you to make a more helpful presentation. You may present your objections and any argument on it within five days, under the rule. If counsel wish to answer it, how long will it take you to answer it?

Mr. Schmieding: Well, your Honor, I am living in Columbus, and I would like to know whether or not he is going to file these, so that I can go back to Columbus——

Mr. Miketta: I am going to object to the findings, very definitely.

The Court: Suppose we do it this way: If you

have a further memorandum to file on the question of validity or infringement of the claims just held valid, how much time do you wish in which to file it?

Mr. Miketta: May I have until next Wednesday, your Honor, Wednesday or Thursday of next week? I think I can get that out by Thursday of next week. That will be November 9th.

The Court: Very well. You may have until Thursday, November 9th, in which to serve and file a memorandum on the question of validity and infringement of claims 10 and 11 of the patent in suit.

Do you wish to see that memorandum before you prepare the findings and conclusions? [418]

Mr. Schmieding: No. I think we will be able to prepare our memorandum.

The Court: Then, how much time do you wish in which to reply, five days?

Mr. Schmieding: I think that will be sufficient.

The Court: Very well, that will be the order as to any further memoranda, and the order as to the preparation and submission of the proposed findings and conclusions and judgment will [419] stand.

* * *

Monday, January 8, 1951—2:00 P.M.

* * *

The Court: In what respect would his device differ?

Mr. Schmieding: The device would differ in this respect, that the patent in suit is drawn to an ap-

paratus that functions differently from the expired patent. [2*]

* * *

The Court: And that would be the only difference?

Mr. Schmieding: No. I would not——

The Court: As far as difference between the two patents is concerned.

Mr. Schmieding: No. There is this difference also, if you will take notice, in the patent in suit we have a charge of powder—I will use the Exhibit 25 as an example.

The Court: I have a cross section of it. Well, I have the drawings here.

Mr. Schmieding: We have an expelling charge interposed between the end of the projectile case and the interior cartridge case, that is, there is black powder inside of that chamber, whereas in the expired patent there is no powder in the chamber A.

The Court: The chamber A?

Mr. Schmieding: In the expired patent, that is true.

The Court: Chamber A, is that in issue? Oh, yes. What expels the flare?

Mr. Schmieding: Well, I imagine merely a blank cartridge.

The Court: To expel the flare? [3]

Mr. Schmieding: That is right.

The Court: Of the projectile case.

Mr. Schmieding: That is correct.

The Court: How high would that expel it?

Mr. Schmieding: A very short distance; and that is one of the differences between this present invention and their earlier patent.

The Court: What has been done is this, isn't it: That the reason powder was not used in the expired patent was because the projectile case would not stand that pressure, would it?

Mr. Schmieding: That is right, your Honor, if you wanted to project it at the height that was desirable.

The Court: But under the expired patent could you project the projectile case to a high altitude?

Mr. Schmieding: No, you could not. I would like to—

The Court: But if you put powder in there, it would be expelled to a higher altitude, would it not, the projectile?

Mr. Schmieding: It would be expelled to a higher altitude, but that is not the only problem you have. You have to hold a gun and you cannot put sufficient powder in there to expel that to such a height. The recoil would be such that one could not hold it. If you take notice, this gun is substantially large in itself. Now, you can only withstand a certain amount of recoil. If you built that [4] projectile case strong enough, if you built it out of two pieces so it would have such a weight that to raise it at the height desirable, you could not withstand the recoil.

This is placed, as you recall, in life boats and used merely as a distress signal. As Dr. Clauser testified, apparatus made in accordance with that

expired patent was never used for projecting a projectile any substantial distance, and the patent so states.

The Court: I understand that. I recall that. But what is the claimed invention here is merely making a one-piece projectile case.

Mr. Schmieding: That is right, your Honor.

The Court: That is my problem. As a practical matter no one could build a flare, even using the precise device of the expired patent, if he put it in the single piece; he would be infringing the patent in suit.

Mr. Schmieding: That is right.

The Court: According to plaintiff's contentions here.

Mr. Schmieding: That is right, your Honor. It is that idea that they finally conceived after building the flares that were shot out of airplanes. This is an airplane type shell. There is no intention to lift it up in the air. You are shooting it out of the airplane in this expired patent and it merely floats to the ground. You just merely use enough expelling charge to get it away from the airplane. You are not interested in expelling it very high into the [5] air.

The Court: Well, this device, the device taught by the patent in suit, would serve the same purpose as the device taught in the expired patent, would it not? It would serve it better, wouldn't it?

Mr. Schmieding: Yes, it will service it better.

The Court: But the converse of that is not true, is it?

Mr. Schmieding: The converse of that is not true; that [6] is, it is just impossible to take this old shell and shoot it up into the air.

* * *

The Court: And we are giving monopoly of the entire field for that, because no one who uses one piece instead of two can do so without infringing.

Mr. Schmieding: That is right. But the problem was always there. No one saw how to solve that problem. Dr. Clauser says it was a stumbling block while he was with the Triumph Explosive Company.

The Court: Yes.

Mr. Schmieding: Although making cartridge cases out of one piece was known, but no one brought this one-piece shell into this particular field. It is just the last step, the last step that changed devices that could not function, could not perform the desired result, to one that did perform that desired result.

The Court: To put it another way, in the language of the cases, wasn't that development clearly anticipated by all the prior art? [7]

Mr. Schmieding: No, I would not think so. It is the idea of bringing in this element into this particular combination that no one conceived.

* * *

Mr. Schmieding: I think there is material difference between our case and those cases. In that case, in the Stewart Warner case, the man was claiming a combination which was all shown in

the prior art. He was claiming a nipple which was on an automobile, he was claiming a grease gun, and he was claiming a particular type of jaw. Now, they did not get any new results.

The Court: He got a better result, did he not?

Mr. Schmieding: The prior art, it caused the greasing of those, the shooting of the grease into the bearings. The pump worked in the same way as it did in the prior art. It would be analogous to us claiming the pistol in our combination. [8]

* * *

Mr. Schmieding: That is right. And we did something that nobody else was able to do before.

The Court: You achieved a better result. [9]

* * *

The Court: How do you distinguish that Toledo Pressed Steel v. Standard Parts case in 307 U. S. 350?

Mr. Schmieding: In that case the man did absolutely nothing. The prior art showed that it was old to have a flare with a wick and a particular type of cap over the wick. This cap had a cover on it and holes in the side for the admission of primary air and for the outlet of flame.

* * *

The Court: Didn't he produce one that would not blow out in the wind?

Mr. Schmieding: No.

The Court: Or one that was less likely to blow out in the wind?

Mr. Schmieding: No. The prior art showed that

it was old to use that same cap, the same type of design.

The Court: What did he claim as his invention?

Mr. Schmieding: Yes, he claimed that was the invention.

The Court: What was an invention?

Mr. Schmieding: Apparently what he thought was the invention there was to take this small lamp-lighter's flare [10] that the lamp lighter used to carry around on the stick, and take that cap off of that particular flare and put it on his bomb shaped flare.

The Court: Then it produced a better result, didn't it?

Mr. Schmieding: He did not produce any better result than the lamp-lighter flare produced. It was not extinguished by rain or by wind. [11]

* * *

The Court: Let me hear from Mr. Miketta, unless you had something further. [13]

* * *

The Court: Let us assume now that you have demolished the old authorities, and rather have demolished them beyond opposition, too, or have demolished any opposition to them as sustained in your position here. Are you able to dispose of the Ray-O-Vac case the same way in 321 U. S.?

Mr. Miketta: You know, your Honor made me look up the District Court opinions in that and really follow that case and dig up the facts, and there is one quirk in that case which I did not men-

tion before. Your Honor probably has read it and will recognize it. The District Court's opinion, incidentally, had one very good statement in it, that every patent must be considered on its own merits.

The Court: That is a very good statement. Will you explain to me how Mr. Justice Roberts could have written the opinion in the Stewart Warner case in 303 U. S. 545, and having that opinion in mind could also have written the Ray-O-Vac opinion in 321 U. S. 275 six years later?

Mr. Miketta: That is where the District Court, I think, [15] made a very wise statement by saying that every patent must be considered on its own merits in the Ray-O-Vac case. If your Honor were to read the District Court opinion and the patent and the claims, and even the Supreme Court opinion, your Honor would note that the invention did not lie so much in putting just that circular steel jacket on the outside but that man did something. He took the upper edges of that steel jacket and turned them inwardly and embedded them into that ridge or tongue that we have on top of the battery, the end seals. He took the lower edge of that cylindrical body of steel and he crimped those up so that he not only resisted outward thrust and leakage, but he actually formed a seal, your Honor, between the upper end of the outside steel jacket and the end closure.

The Court: Was that the invention?

Mr. Miketta: Well, by golly, now, he had something that was new. Now, remember in that case the court deemed it to be invention because it was a

new result. It was not a result in degree and it was not simply just shooting something higher than it had gone before.

The Court: Let us examine that a minute and see if it was not a difference in degree. The old cardboard—I picked up one the other day in the store and looked at it—Ever-Ready, and it still makes the cardboard case, apparently never succumbed to the Ray-O-Vac invention. It may [16] have been an old battery, but I saw one in the store and I picked it up and examined it. That old cardboard case has a protective cover, it has a solution, it is waxed-treated, and apparently it resists to some extent the inroads of acid and corrosion of the acid. Now, isn't that the same result in kind, although it be a great difference in degree, that the Ray-O-Vac metal insulator accomplished?

Mr. Miketta: No. The Ray-O-Vac case shows a difference in kind, your Honor, because no matter how many layers of wax or paper you put just on the outside of your battery, when the zinc wall, inner zinc cylinder is corroded, you are going to get leakage at the ends.

The Court: Sure.

Mr. Miketta: But these people, the Ray-O-Vac people, crimped that steel end over and embedded it into the end enclosures and, as stated by the District Court, by crimping the steel jacket over the closures or making the bottom integral with the cylinder, expansion of the cells at the ends is prevented. And the claim, incidentally, in that case specifically called for sealing at the ends.

The Court: Is that an invention?

Mr. Miketta: Well, I am not going to argue with the Supreme Court on that case, your Honor.

The Court: Well, I am not either. I just want to apply the law correctly and I am trying to fit this case. I agree that every patent or every case has to stand on its own bottom. [17]

* * *

The Court: As I say, I am only worried about Ray-O-Vac. You see, Ray-O-Vac is a comparatively recent case.

Mr. Miketta: Yes. So is the Great A & P case.

The Court: Wrapping an article in a piece of metal and crimping both ends is not what I would think would be, at first blush, the so-called flash of genius that is required to constitute invention.

Mr. Miketta: Well, your Honor, at least the man did something different and did not substitute one shell for another. He at least crimped the ends. But what have these people done? They have not crimped any ends or produced any new and different result. [19]

* * *

The Court: What comment do you have to make, Mr. Miketta, on the long period of time that this problem had apparently existed without being solved?

Mr. Miketta: That, I think, is a lot of hokum for the simple reason—and that is indelicate language, your Honor—but frankly, this patent F-18 was involved in litigation before, and they made

some representations during the trial of that case that this patent F-18, now expired, was the answer to the maiden's prayer. I have never seen an inventor who did not make that contention.

The Court: You and I do not have much difficulty, do we, in perceiving that there was a need for these purposes, for this sort of a device, and after all, we wonder why it was not thought of before, don't we? Aren't you surprised in view of this state of the art that this type of flare was not produced many, many years ago? [23]

Mr. Miketta: I think it was produced, your Honor. The only reason that until the Coast Guard started actually setting forth specifications that a flare must go up to 150 feet to be useful, and caused all of the manufacturers to put in enough power so that it went up that high, and imposed a restriction on them that the candle power must be to a certain standard, there probably were manufacturers who had flares that went up as high, but perhaps they did not burn as brightly.

The Court: There isn't anything in the prior art to show that, is there? What I have in mind is this: The curvature of the earth has not changed.

Mr. Miketta: No.

The Court: So the need for a certain altitude to give a signal at sea has not changed.

Mr. Miketta: That is right.

The Court: And we have known the use of projectiles for many, many years and the means to project them. We have known the use of flares and even, I suppose, the parachute flares a good many

years. Doesn't it seem strange that this need was not met sometime long before it was?

Mr. Miketta: Your Honor, remember this: This F-18 definitely states that it is to be projected a sufficient distance from any station afloat, or ashore. Now, this old expired patent said that the projectile was to be projected [24] a sufficient distance from any station afloat, or ashore. The pistol——

The Court: To do what?

Mr. Miketta: Pardon?

The Court: In order to accomplish what?

Mr. Miketta: Well, this was a signaling, in order to signal properly, otherwise what function? The whole device is signaling.

The Court: It would not accomplish anything like the result that your client's flares, for example, accomplish today, would it?

Mr. Miketta: I don't know. Why shouldn't it if you put in the right flare composition into that F-18 device, and you put in a sufficiently large cartridge in the bottom, that thing will go up and it will open because it even includes a stick that will prevent the parachute from collapsing.

The Court: Oh, it will go up if it doesn't go to pieces.

Mr. Miketta: Oh, they sold a lot of these things, your Honor, and they were satisfactory. They actually made them.

The Court: Were they satisfactory for present day services?

Mr. Miketta: Well, we are not studying or we

are not judging the patent by government specifications.

The Court: Could they be projected to any such height?

Mr. Miketta: Yes, sir. [25]

The Court: They could be?

Mr. Miketta: Why certainly they would go up that high. Remember this little gimmick that is patent F-21, I think—no. Well, it is just almost a toy but it is supposed to go up 150 feet in the air. That is F-19.

The Court: You do not think the device taught by the patent in suit even produced a better result?

Mr. Miketta: Every inventor claims he has a better result, your Honor.

The Court: I am asking you what you think about it.

Mr. Miketta: No, because you can make a device and not put in the right flare composition and you certainly won't have a better result, your Honor. You may not have any result. You can take the patent in suit, build a device exactly like the specifications call for, and it will not burn for a length of time sufficient to be even worth while as a signal. And if you take the claims, your Honor, a lot of claims do not even say that you have to have a thick base and thin side walls. They do not teach you how to build a better flare. Of course, every patentee, every inventor claims that he has made an improvement.

The Court: Oh, yes.

Mr. Miketta: But this is not an inventive im-

provement. There is no invention in substituting a one-piece shell for a two-piece shell. [26]

The Court: I would not have any trouble holding with you if I could just get this Ray-O-Vac case disposed of in some way.

Mr. Miketta: There was more than substitution in that case, your Honor. You will grant me that they at least turned the outer edges, but here it is nothing but substitution.

The Court: The cardboard containers sometimes have bottoms on them, don't they?

Mr. Miketta: That is right, but they don't crimp into. You see, when you take that outer cylinder—I don't know what I would do if I did not have hands—but if your Honor imagines that this is the upper edge of the cylinder and this is the bottom edge of that outside cylinder, and you turn those edges in against the upper and lower seals, then you have a clamping action there. You not only prevent that liquid from going upwardly, but you also bring them together. Now, paper would not do that. You can roll the edge of the paper, and they do roll the edge of the paper, but that is only as a decorative feature, almost, to prevent fraying, but it does not clamp down into the end seals and seal the liquid, preventing it from end movement. There is a difference there, your [27] Honor.

* * *

Mr. Schmieding: With respect to F-18, your Honor, I call your attention to line 9 in column 1 of page 1, where the idea is to project a short

but sufficient distance from the airplane. As Dr. Clauser testified, that is what this particular shell was made for.

Now, also, on page 2, column 1, line 39, the sentence starting there:

“In the operation of the device, the initial velocity of the container B, after leaving the gun, will be comparatively small, * * *”

Now, that is true, as Mr. Miketta stated. You can place a powder in there to lift that projectile up to the desired height. But, can you hold it in your hand? And if it can be done, why does defendant not make the expired apparatus instead of copying exactly the patent in suit?

The Court: Isn't our question here probably this: Whether [29] the result produced was so far superior to the result produced by any other combination as to be in effect a new result?

Mr. Schmieding: That is right, your Honor. That is right. It is something that they have been striving for and never solved until these men conceived of this simple idea.

The Court: Anything further?

Mr. Miketta: I do not think it is necessary, your Honor.

The Court: I appreciate you gentlemen coming here again and giving me this assistance. I have before me the findings and judgment proposed by both sides. I will resubmit the matter and endeavor to decide it shortly.

[Endorsed]: Filed January 22, 1951. [30]

[Endorsed]: No. 12892. United States Court of Appeals for the Ninth Circuit. Signal Manufacturing Company and Charles Schneider, Appellants, vs. The Kilgore Manufacturing Company, a Corporation, Appellee. Supplemental Transcript of Record. Appeal from the United States District Court for the Southern District of California, Central Division.

Filed April 5, 1951.

/s/ PAUL P. O'BRIEN,
Clerk of the United States Court of Appeals for
the Ninth Circuit.

